Daily Report

Latin America

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FBIS-LAT-90-017 *25 January 1990*

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Cuba

Troop Withdrawal From Angola Suspended

PA2401190690 Madrid EFE in Spanish 1843 GMT 24 Jan 90

[Text] Luanda, 24 Jan (EFE)—An authorized source who asked to remain anonymous told EFE today that Cuba will suspend the withdrawal of its military troops from Angola in response to a 21 January attack carried out by the UNITA [National Union for the Total Independence of Angola] rebel group, in which, among others, four Cuban soldiers were killed.

Meanwhile, the Angolan Government, the Cuban Embassy, and the UN's "Blue Helmets" contingent refused to officially confirm or deny such a decision.

Brazilian General Pericles Gomes, leader of the "Blue Helmets," who are verifying the Cuban withdrawal from Angola, told EFE that he could not confirm or deny the news until instructions arrive from UN Headquarters in New York.

Angolan Government sources also refused to comment.

Gomez confirmed that a Cuban plane left for Havana today, but he pointed out that "there might be no flight tomorrow."

An official Angolan communique issued today about the 21 January attack described it as an "open provocation" and as a pretext for U.S. and South African intervention in Angola.

Three Angolan soldiers and 18 civilians from the town of Nanha were killed, in addition to the 4 Cuban soldiers killed and 7 wounded.

The withdrawal of Cuban troops from Angola began early last year as a result of accords signed by Angola, Cuba, and South Africa in December 1988 in New York.

Since then, more than half of the Cuban troops stationed in Angola have returned to their country. In principle, the remaining 18,000 who are still there are scheduled to leave by stages before July 1991.

Foreign Ministry Statement

FL2501130690 Havana Tele Rebelde Network in Spanish 1200 GMT 25 Jan 90

[Text] The Cuban Foreign Ministry [MINREX] has issued a statement published in GRANMA under the title "Regarding the Temporary Suspension of the Withdrawal of Cuban Military Personnel From Angola." The text of the MINREX statement says:

As is known by the public, four Cuban soldiers were treacherously killed and five were wounded on 21 January at dawn as a result of the sly attack perpetrated by a detachment of the National Union for the Total Independence of Angola [UNITA] against a water purification and supply point of a Cuban military unit located some 22 km north of Lobito in territory, north of the 13th parallel in the People's Republic of Angola, where Cuban troops have retreated in line with the New York agreements.

The water purification and supply point was located some 2 km west of the Valle Hanha village, which was attacked and destroyed. Three soldiers of the People's Armed Forces for the Liberation of Angola were killed and six were wounded as they defended the village.

Thirteen civilians were also murdered and 17 were wounded during this Vandalic action. This was a deliberate terrorist attack. UNITA was fully aware that Cuban personnel were there. This attack had the same characteristics as the ambush and murder of six Cuban military men in Cubal on 14 August.

The Cuban Government warned at the time about the extreme gravity the repetition of a provocation such as this one would entail, and that it would act in a way that the safety of its internationalist combatants in Angola would be guaranteed.

In a letter sent by Commander in Chief Fidel Castro Ruz, president of the Council of State, to UN Secretary General Javier Perez de Cuellar dated 16 August 1989, it was recalled that this stand was presented by Cuba very clearly during the negotiation process that led to the signing of the agreements on 22 December 1988, paving the way for making progress in the solution of the conflict in southwest Africa.

The letter also said that we will not tolerate hostile acts and actions against our troops and that we reserve the right to respond strongly when necessary. The responsibility for these criminal actions of UNITA against Cuban troops and the sabotage of the peace agreement that this implies ultimately lies with the U.S. Government, which has been giving logistic support and political advice and which continues to supply weapons and ammunition, including highly sophisticated equipment.

Consequently, the Angolan and Cuban Governments have decided to temporarily suspend the departure of Cuban military personnel until Cuba receives a satisfactory explanation of these events and is persuaded that the future reduction of its forces in the People's Republic of Angola will not be taken advantage of by the terrorist bands, who receive arms and advice from the U.S. Government, to act against the lives of the Cuban military personnel, thus sabotaging the agreements that were reached after so much work by Angola, Cuba, and South Africa.

Cuba had withdrawn over half of its forces in the People's Republic of Angola by 24 January 1990, and 31,179 combatants have returned from there. Some 33,000 soldiers should have been withdrawn by 1 April 1990. This shows Cuba has been complying with its commitments seriously and strictly.

GRANMA Reacts as U.S. Ships Arrive at Base

FL2501023990 Mexico City NOTIMEX in Spanish 0107 GMT 25 Jan 90

[Text] Havana, 24 Jan (NOTIMEX)—The deployment of two U.S. warships to the Guantanamo base is beginning to heat up the area adjacent to Cuba, according to the newspaper GRANMA, the official organ of the Communist Party of Cuba.

GRANMA stated today that the arrival of the ships at the U.S. military enclave in Cuba and the maneuvers that other large U.S. ships are carrying out off the Florida coast are signs that the area is beginning to heat up.

In accordance with GRANMA, the docking on 23 January in Guantanamo of the U.S. battleship BB-64 "Wisconsin" and of the amphibious assault ship LHD-1 "Wasp" has coincided with maneuvers that are being conducted northwest of Miami, Florida, by the CGN-38 nuclear cruiser "Virginia" and by the CVN-69 aircraft carrier "Dwight D. Eisenhower." The Cuban newspaper suggests that the United States could be attempting to make a military deployment to pressure Nicaragua in the upcoming elections, or that the United States is perhaps seeking to threaten or intimidate Cuba.

The invasion of Panama and the announcement of TV Marti broadcasts in Spanish to Cuba have heightened the sensitivity of Cuban officials to threats or aggression by the United States, which has maintained an economic blockade against the Caribbean island for 30 years.

BASTION Also Notes Activity

FL2401150890 Havana Tele Rebelde Network in Spanish 1200 GMT 24 Jan 90

[Text] The BASTION newspaper, the official organ of the Revolutionary Armed Forces [FAR], has reported that in the last few days the United States has been taking military steps which indicate they intend to take an offensive stance in this field. These steps include, among others, the Panama invasion, the continuation of its aid to Afghan counterrevolutionaries, and the increased aid to the puppet National Union for the Total Independence of Angola, without any regard to agreements reached.

The area surrounding Cuba begins to heat up now as the beginning of operations of the anti-Cuban television station gets close. According to U.S. television CNN, TV Marti will begin testing at the beginning of February.

BASTION adds that the BB-64 battleship "Wisconsin," loaded with its cannons and rockets, arrived at dawn on 23 January at Guantanamo Naval Base, territory the United States encroached from our country. A few days before, the amphibious ship LH-1 "Wasp", the most modern one of its type in the U.S. Navy which is capable of carrying a reinforced Marine battalion, helicopters, and landing barges to assault the coasts.

Later on BASTION reported that, if this was not enough, other large U.S. ships are conducting maneuvers in the Miami area close to Cuba—toward the northeast. They include the nuclear-powered cruiser CGN-38 "Virginia" which, together with the aircraft carrier CV-67 "Kennedy", left Norfolk, Virginia for the Colombia blockade but stopped on their way because of the broad protests this typical imperialist measure caused in Latin America.

Now they remain in the area close to Cuba, apparently waiting for a political decision or perhaps to threaten us. Another aircraft carrier is also conducting maneuvers in the region northeast of Miami. It is the nuclear-powered CVN-69 "Eisenhower."

The FAR official organ says: What are the warmongering Americans planning to do with this deployment? Are they thinking about threatening and intimidating us? Perhaps they want to pressure Nicaragua in its next elections, which the U.S. media itself predicts a broad triumph of the Sandinist National Liberation Front.

In any case they are wrong, concludes the BASTION report. Nothing and nobody intimidates our people.

Reportage on 16th Workers Federation Congress

Leal Ross' Opening Remarks

FL2401164590 Havana Domestic Radio and Television Services in Spanish 1425 GMT 24 Jan 90

[Speech by Pedro Leal Ross, chairman of the Organizing Committee of the 16th Cuban Workers Federation, CTC, Congress, during the opening ceremony of the congress at the Karl Marx Theater in Havana—live]

[Text] Do not worry, I am not going to read the report.

Dear Comrades Fidel and Raul, distinguished guests, comrades of the Presidency, dear delegates: In presenting the main report, I would like to talk about two things. First, I would like to talk about the reason we chose to wear the glorious uniform of our National Revolutionary Militia on this occasion. It was something the delegates suggested and was strongly supported by all the delegations. It was, therefore, unanimously decided that we would wear this uniform today. On 16 April 1961, following Yankee imperialism's first attacks against some areas of our country, a prelude to the Giron invasion, the working class and our people proudly put on this uniform and raised their rifles to proclaim the socialist nature of our revolution. [applause] Dressed in this uniform, the militia battalions marched to Giron with our rebel army and revolutionary police troops. When the change in the Eisenhower government took place, our working class put on this uniform, entrenched themselves, and prepared for an imminent attack. We dressed in this uniform when we marched and dug trenches along our shores during the October crisis; we wore this uniform when we fought the bandits who,

armed and trained by Yankee imperialism, were attempting to stop the newborn revolution. Wearing this uniform, 100,000 workers participated in cleaning the Escambray; wearing this uniform, the workers and peasants of our country have marched into combat. This is why we decided that we would attend this opening session dressed in this uniform. It is our way of reaffirming our determination to continue defending socialism, to continue defending the achievements of the revolution, the achievements of the workers, the poor people, for our people. The revolution was made for everyone and for the good of everyone; it is the revolution Marti dreamed of, a dream that Fidel fulfilled. [applause]

Dressed in this uniform, we wish to reaffirm, together with Ernesto Che Guevara, that we will not give the imperialist or the enemy a single inch of our country. Today, at the beginning of this congress and wearing this uniform, we wish to reiterate General Antonio Maceo's warning: Whoever attempts to take over Cuba will only eat our blood-covered dust, that is, if he does not die in the struggle. [applause]

The second matter I wish to refer to is the contents of our main report. A brief historical restrospective, prior to the triumph of the revolution, is necessary to explain the contents of our report. To what did our working class aspire? What were the aspirations of our peasants, the humble men of our nation, the progressive trade union organizations, prior to the triumph of the revolution? What were their demands? What were their aspirations? That progressive trade union movement aspired, first of all, to the employment of workers, because at the time of the Moncada there were 1 million unemployed in the country. They aspired to the education of their children. They aspired to medical care for the Cuban family, the workers' family. They aspired to the elimination of the ignominious feudal system that prevailed in the countryside—sharecropping, precarious land ownership [precarismo]—all the types of slavery to which the peasants, or the semiproletarian workers were submitted. They aspired to eliminate racial discrimination. They aspired to the elimination of women's discrimination and to ensure that women had the right to work. They aspired to living to a peaceful old age, and having a retirement. As you all know, few sectors had a retirement fund. Finally, they aspired to living in a honorable, free, and sovereign fatherland where you would not have a Yankee climbing on Marti's statue, or a Yankee touching our women—thinking that all Cuban women were prostitutes. Also, our progressive trade union organizations of that time were aspiring to eliminate prostitution, which was created by poverty and the capitalist regime. These were the most cherished aspirations of our working movement and our workers prior to the triumph of the revolution.

These aspirations were demanded and proclaimed in that declaration, better known as "History Will Absolve Me," when a young rebel explained why he and other comrades attacked the walls of the Moncada: So the centennial of the death of the apostle [Jose Marti] would not be in vain and to end the ignominous regime. [applause] Here, in this book, he explains the plan for eliminating all that. The revolution triumphed and there was work for everyone who was able to work and schools for all Cuban children. On 1 September, there is not a single child in this country, from Maizi to Guanes, who does not have a classroom, desk, and teacher. The revolution triumphed, the Cuban family, workers, and peasants have a guarantee for health care. It is high-quality and developed health care. The revolution triumphed and prostitution and begging ended. The revolution triumphed and the workers got all their rights. Racial discrimination was eliminated. Discrimination against women was eliminated, although there are still some traces here and there. However, discrimination against women was eliminated. Today, 38, almost 39, percent of the country's work force is female, 52 percent of technicians and professionals in our country are women. The revolution triumphed, and a Yankee can no longer come and climb on Marti's statue. [applause]

All these rights....[rephrases] The revolution triumphed. We began to build homes, thousands of homes, and we are always building more good homes for the workers, which was one of their dearest aspirations. They built the homes themselves with the materials provided by the state. Women have childcare centers for their small children so they can go to work. All this was included in our Constitution as a right of our people.

The Moncada plan was completed and then we began working on the plan to build socialism, which is a more advanced program. It is a program aimed at total development and directed toward the complete satisfaction of the vital needs of our people, toward elevating our traditionally altruistic, internationalist, and revolutionary consciousness to higher levels.

For this reason, our main report is aimed at analyzing and is designed to rectify our mistakes and negative tendencies, negative tendencies [repeats] that became enthroned within our revolution. It is focused on how we can improve our socialism, on how we can improve the work of our state and political institutions, on how to improve the work of our party and our labor movement, on how to do things better to continue advancing on the path of socialism. Thus, the main slogan of this congress is: Dedicated to work for the construction of socialism.

Revolution, socialism, and national independence are indestructably linked in Cuba. This is the essence of what this main report contains. Our people, our laborers, peasants, students, and retired people are working to achieve this. This is the most important strategic goal our working people aspire to achieve.

Therefore, when introducing the congress' main report, we want to repeat what was said by our unforgettable hero, the man who represents the Cuban man and stood out because of his merits, his audacity, and intelligence. We want to repeat what Camilo [Cienfuegos] said: Fidel,

go ahead, do not stop, continue with the revolution, continue with socialism, because the people and the working class are with you. Fatherland or death! We will win! [Crowd shouts: "We will win!"] [applause]

Agenda Outlined

FL2401170890 Havana Tele Rebelde Network in Spanish 1200 GMT 24 Jan 90

[Text] The 16th Cuban Workers Federation [CTC] Congress will begin at Havana's Carl Marx Theater today at 0900. The Cuban workers meeting will continue until 28 January after important resolution drafts and the main report are discussed.

The over 2,500 delegates from the entire country have been in Havana since early yesterday. They are staying at the President Allende School. Delegates from some 60 countries who will attend the congress are also in Cuba.

Five committees, divided by subjects, will begin their work after the opening ceremony at the Karl Marx Theater. They will meet there and at the CTC's Alfredo Lopez Hall and Lazaro Pena Theater, the Military Technical Institute, and Foreign Trade Ministry on the 24th. The delegates will meet in a plenary session to discuss the main report and to listen to guests make their greetings remarks on the 25th.

The delegates attending the plenary session will continue discussing the main report on the 27th. They will listen to a pioneer making greetings remarks to the congress. They will also examine reports on the sugarcane harvest, voluntary work, CTC's organizational operation, cadre policies, and training of labor union leaders.

The event is scheduled to close on Sunday 28 January after the members of the CTC's National Committee and Secretariat are elected. Collateral activities will be held then, as well as during the rest of the days the congress is held.

Delegates Seek Rejection of TV Marti

PA2501023790 Havana International Service in Spanish 0000 GMT 25 Jan 90

[Text] A commission of 300 delegates who are currently debating the subject of international solidarity and foreign debt at the 16th congress of the Central Organization of Cuban Trade Unions [CTC] will ask the plenum of that important meeting to reaffirm its rejection of U.S. attempts to install an anti-Cuban television station.

Cuban delegates stressed that U.S. plans constitute a violation of international regulations and laws on radio broadcasting and a violation of Cuba's sovereignty.

The commission will reaffirm the Cuban workers' and people's support for the labor movements in nations struggling for their liberation and national independence and against new forms of imperialist exploitation and the consequences of foreign debt.

Navy Chief Meets With Soviet Defense Official

FL2401164890 Havana Radio Reloj Network in Spanish 1524 GMT 24 Jan 90

[Text] Rear Admiral Pedro Perez Betancourt, chief of the Cuban Revolutionary Navy, transmitted greetings from Division General Ulises Rosales del Toro, first vice minister of the Revolutionary Armed Forces, to Soviet Rear Admiral (Yuriy Ivanovich Seglov), chief of the Main Directorate of Navigation and Oceanography of the Soviet Ministry of Defense. The distinguished visitor expressed his deep gratitude for the attention he had received in Cuba. For his part, Rear Admiral Perez Betancourt asserted at their meeting that relations in this sphere are excellent and are based on the Soviets' desire to cooperate. (Seglov) and the retinue that accompanied him visited Lenin Hill, where they heard about the first homage paid to the guide of the world's proletariat outside the USSR, and admired the complex of monuments erected in his memory during the second decade of this century.

Release of Medical Team in Sudan Sought

FL2401173090 Havana Tele Rebelde Network in Spanish 1200 GMT 24 Jan 90

[Text] GRANMA newspaper reports today that efforts continue to be made to attain the release of the Cuban medical team whose members are still detained in an unspecified location in Sudan. Cuba has demanded from the Sudanese Government the immediate release of the six Cuban doctors, who were arrested at a hospital in Asosa, Ethiopia. It also has asked the International Red Cross and the OAU to double their efforts to attain doctors' release. To date, despite the interest and actions taken by the leaders of the two organizations, as well as those carried out by the Cuban Embassy in Addis Ababa and by other Ethiopian authorities, the compatriots remain detained in an unspecified location in Sudanese territory.

GRANMA points out that the Cuban people were informed immediately of the news that a group of six Cuban health workers were arrested by the Sudanese Army and the Oromo Liberation Front. They were arrested while providing humanitarian services at the hospital in the town of Asosa, 27 km from the Sudanese border, and 780km from the Ethiopian capital.

GRANMA: No Alternative to Rationing Measures

FL2401205590 Havana Radio Rebelde Network in Spanish 1800 GMT 24 Jan 90

[Text] To complement the recent announcement regarding the implementation of necessary measures to ensure the production of bread and eggs in light of problems in the receipt of raw materials needed to produce these foods, GRANMA today published, in its third edition, additional details about the situation with the grain deliveries.

Between Saturday and Monday, 42,600 tons of wheat for bread arrived in the country and at this very moment, similar amounts are being loaded onto Soviet ships in ports in Canada, France, and Belgium. The grain deliveries agreed to with the USSR for 1989 were fulfilled in the initial days of January. The problems have occurred with the advance deliveries that were requested and approved. These deliveries have already been delayed by more than a month and this includes the supplies scheduled for this month. However, GRANMA indicates, as one can see, there has been a positive response on the part of Soviet organizations involved with the supply of wheat. The biggest problems have occurred in the shipment of raw materials necessary for the production of animal feed.

We are confident that a positive solution will be found for this problem. In the past, the traditional bilateral relations between the USSR and Cuba have contributed to solve other problems. The necessary steps have already been taken and the Soviet leaders and officials have been advised of the problems these delays can cause. The situation was such that the simple breakdown of a ship could leave some people without bread and millions of small and large animals without feed. If possible, the government plans to build up our wheat reserves. This would allow us to handle situations of this type. GRANMA continues to say it is very important for our people to follow the development of this situation throughout 1990, as well as the future of our economic relations with Eastern European countries.

In giving some necessary explanations and clarifications, GRANMA says the 5 centavo increase in the price of a pound of bread has not been well received by some of the people who live in the capital city. This is almost a natural reaction. It states further on that in the production of one pound of bread the wheat-flour component alone costs 8 U.S. cents or the equivalent in the currency in which it is imported. To this we must add the cost of wages, fuel, and other raw materials such as yeast, oils, salt, and sugar, some of which are also imported.

Regarding the reduction in the bread ration by 20 grams in the provinces, GRANMA states that this measure represents an annual savings of between 40,000 and 50,000 tons of wheat. All these measures, GRANMA says, have been taken because there was no other alternative, given the situation we face.

Arrival of Grain Reported

FL2401212890 Havana Tele Rebelde Network in Spanish 1800 GMT 24 Jan 90

[Text] GRANMA published today additional information on the status of grain deliveries. The article reports on the current amount of wheat available. On 20 January the Cuban ship "Antonio Maceo" docked at the port of Cienfuegos with 22,000 tons of wheat for bread, and on Monday, 22 January, the Soviet ship "(Ranyi Cotari)" arrived in Havana with 22,600 tons. Orders were issued for the ship to be unloaded immediately.

News has also been received that the "(Aison)" in Canada, "(Etmer)" in France, and "(Kiuchev)" in Belgium are being loaded with wheat for bread. It was also made known that tomorrow the "(Borlofka)" in France will finish loading 27,000 tons of corn intended for the production of animal feed. Half of the 20,000 tons of wheat flour that Cuba decided to purchase in hard currency is already in the country, and the other half is currently being loaded onto the Cuban ship "Onceno Festival," docked in Belgium. These ships are expected to reach Cuba between 30 January and 15 February.

Haiti

Government Deports Two More Opposition Leaders

FL2401195490 Havana Tele Rebelde Network in Spanish 1800 GMT 24 Jan 90

[Text] The Haitian regime has expelled two more opposition leaders from the country during the last few hours. This raises the toll to eight political figures who have been forced to leave Haiti since the state of siege was resumed last weekend.

Michel Legros, from the League for the Installation of Democracy, and Max Montreuil, who heads an opposition committee in the Cap-Haitien area, were arrested on 20 January and expelled from the country yesterday.

Various political and social organizations have denounced the wave of repression and detentions ordered by the regime. Many political analysts believe the goal of the Prosper Avril is to eliminate all opposition for the electoral campaign, which will begin in that Caribbean nation next March.

Other reports indicate that the Haitian Ministry of Information told the independent radio and television stations not to transmit any national or international news and threatened to retaliate if any media reported any information that, according the regime, could incite popular demonstrations.

Avril Regime Expels Another Opposition Leader

FL2501031390 Havana Television Service in Spanish 0100 GMT 25 Jan 90

[Text] A few hours ago, the Haitian regime detained and expelled (Gerard Emile Brown) from the country. (Brown) is a member of the social democrat Congress of Democratic Movements.

The military government of Prosper Avril has been following this policy for several days. An AFP report states the Haitian regime is intensifying repression since it decreed a state of siege on Saturday, 20 January.

Several Haitian personalities have also charged that heavily armed civilians and military personnel have beaten and tortured political opponents. Leaders of the

United Party of Haitian Communists, of the Mobilization for National Development, and of other progressive organizations, have been forced to leave the country.

Arms Cache Uncovered During Searches in Capital

FL2401135090 Port-au-Prince Radio Nationale in Creole 1200 GMT 23 Jan 90

[Text] We have another press release from the Haitian Armed Forces [FADH]. The release is from the general headquarters of the military department of the metropolitan zone.

The military department of the metropolitan zone informs the public that following the important measures taken by the government of the Republic, and during the searches being effected in the capital and its environs, weapons, munitions, and military equipment were confiscated from a house belonging to Eric Mevs. The house was, until very recently, inhabited by Joseph Alcazar.

Here is what was found: 4 antitank grenades; 1 explosive grenade (?X-MA AP 30); 27 (?fortified) fragmentation grenades, (?FMK-2); 95 grenade detonators; 9 grenades for the (?M-203) 40 mm grenade launcher; 6 grenades for the Galil rifle, (?MARA-77) Lot No. 1, 84; 9 clips for the Galil rifle; 1 metallic belt for the M-60 machine gun holding 63 rounds; 1 6-round iron belt for the 50-caliber machine gun; 6 clips for the M-1 rifle, full; 1 camouflage hat; 1 belt made of heavy-duty green fabric; 1 pair of handcuffs; 1 police uniform; 1,424 9 mm shells; and 200 5.56 mm shells.

One lot of ammunition for an M-1 rifle was found at the residence of Gerard Brun, also known as Abi Brun. (?Brun) declared that he owned a 45-caliber pistol, which his wife had in her possession.

A 38-caliber magnum revolver was found at the residence of Hubert de Ronceray. The revolver allegedly belongs to sociologist Max Carre, secretary general of the Mobilization for National Development, MDN. The police arrested Carre, releasing him later that same day.

This press release, by order of Colonel Romulus [rank as heard], is signed by Jodel Lessage, Lieutenant Colonel, FADH, in charge of public relations. The press release was issued by the general headquarters of the military department of the metropolitan zone.

Citizen Reported Cache

FL2401202490 Port-au-Prince Radio Nationale in Creole 1500 GMT 23 Jan 90

[Excerpt] The Petionville police, on Sunday, confiscated a certain quantity of firearms from a house at No.19 Fougere Street, Morne Calvaire, Petionville. This house was inhabited by Dr. Joseph Alcazar, for whom the police have been looking for some time now. The property belongs to Eric Mevs, who on Sunday, 21 January, informed the police that there was an arms cache at the house.

Captain Neptune, commander of the military district of Petionville, said this was a gesture of civic responsibility that all other citizens should imitate. We will listen to him.

[Begin Neptune recording] Well, first of all, I agree with you. Indeed, this could constitute a danger to those living in the house. I feel that the proprietor did his civic duty. I think it would be normal for all other citizens, who might know of illegal weapons and munitions caches near them, to tell the police about it. [end recording]

The owner of the house, Eric Mevs, explained how he discovered these firearms.

[Begin Mevs recording] While cleaning in a corner of the house, I found a cover, which I raised. I saw a hat that looked like a military hat. And I found other metal things that looked to me like weapons. So, I immediately did my civic duty and told the police about all these things, as a Haitian citizen properly should. [end recording] [passage omitted]

CEP Still Organizing Elections; Arrest Noted

FL2401205790 Port-au-Prince Radio Soleil Network in Creole 1730 GMT 22 Jan 90

[Excerpts] While all kinds of other things are going on, the Permanent Electoral Council [CEP] is, for its part, continuing to work at organizing elections. Three CEP members were in Cap-Haitien to form the Department Electoral Bureau [BED].

[Begin Cap-Haitien reporter recording] After Artibonite and Port-de-Paix, three members of the CEP—CEP vice president Gabriel Augustin, Archange Leon, and the Reverend Pauris Jean-Baptiste—visited Cap-Haitien.

On the evening of 20 January, at the Cap-Haitien City Hall amid several prominent Cap-Haitien figures, Mr. Augustin explained why they had come to Cap-Haitien: to collect the opinions of citizens in the areas in question regarding the formation of the Departmental Electoral Bureaus, BED's [passage omitted]

We point out that working together with the prominent figures present at this meeting, they managed to propose several Cap-Haitien figures to make up the five-member BED staff. Several of the people proposed were not present; othe.s were. The three CEP members said several people were proposed for the BED for the Department of the North, but that the full CEP is going to meet to investigat carefully before choosing the five people who will make up the BED for the Department of the North. They also said the five people chosen will be sworn in at the civil court of Cap-Haitien very soon. [passage omitted] [end recording]

The CEP was also in Jacmel. Jean Gerard Pierre was in Jacmel on Saturday, 20 January, in connection with forming the BED for the Department of the Southeast.

[Begin Jacmel reporter Wilder Thibaud recording] [passage omitted] Saturday morning, in the conference hall of La Jacmelienne Hotel, Mr. Pierre met with Jacmel's civilian and military authorities, as well as many other sectors, to obtain their proposals for BED members. Each sector proposed people to represent them in the BED. No one knows who was proposed, because the proposals were given to Mr. Pierre in an envelope, and Mr. Pierre took them to the CEP in Port-au-Prince [words indistinct]. [passage omitted]

That same Saturday, the Jacmel police arrested Andre Calixte, a notary whom everyone in Jacmel knows to have been involved with the Duvalier regime. Everyone is wondering why notary Andre Calixte has been arrested.

This is Wilder Thibaud for Radio Soleil in Jacmel. [end recording]

Government Denounces Plot by 'Mercenaries'

FL2401121590 Port-au-Prince LE NOUVELLISTE in French No 33.729, 22 Jan 90 pp 1, 12

[Excerpts] In the 20 January edition of LE NOUVELLISTE, we reported the arrests of numerous political figures—party leaders and members of organizations—made Saturday afternoon. [passage omitted]

On Saturday evening, National Haitian Television read the military government decree declaring martial law throughout Haiti for 30 days; as well as the measures reinstating the requirement that all Haitian nationals returning to Haiti possess an entry visa. [passage omitted]

Given the seriousness of these measures, one expects a special statement on the occasion from the government authorities providing further clarification for national and international public opinion, anxious and uneasy about this extremely serious situation.

At midday today, Minister of Interior and National Defense General Fritz Romulus read a government statement denouncing a plot hatched against the people by mercenaries loyal to no country who, under cover of political organizations, have sown mourning among Haitian families.

The special declaration on the occasion continues: They have committed repugnant crimes. They have murdered the sons of the people but today it is the people themselves, matured by the experiences of these past 3 years, who intend to put an end to the demagogueries of the impostors who nonetheless claim to be acting in the name of democracy.

The government and the people are thus engaged in this struggle without quarter against terrorism and drugs, so they can continue to attempt to make the great Haitian dream, following the path traced by our ancestors, concrete.

The success of this patriotic operation is the ultimate guarantee of better tomorrows for Haitians, who must be able to work, house, and feed themselves in this country left us by our forefathers, concluded the government in this text read by the minister of interior at 1330 over Radio Nationale.

We have not yet received the full text of this statement.

Jamaica

Aid Diversion To Be Discussed With Quayle

FL2401215690 Bridgetown CANA in English 2101 GMT 24 Jan 90

[Text] Kingston, Jamaica, Jan 24, CANA—The diverting of U.S. 25 million dollars in aid from Jamaica and likely aid cuts to the island will be among the major talking points when Jamaica Prime Minister Michael Manley meets U.S. Vice-President Dan Quayle next Monday, according to a top government official. The U.S. vice-president will spend five hours in Jamaica as part of a three nation fence-mending mission to Latin America and the Caribbean in the wake of last month's military invasion of Panama. "They have their agenda and we have ours, and the issue of U.S. aid to us will definitely be raised", said the official who declined to be named.

Quayle's visit has generated little enthusiasm here, with many questioning the relevance and usefulness of the visit at this time. However, a government spokesman disagreed, saying that it provided an opportunity for the Jamaican Government to air its views on "several important issues" at a high level in the U.S. Administration.

The visit comes days after the U.S. Government diverted 25 million U.S. dollars in aid from Jamaica to Poland. The money was earmarked for the island's anti-drug programme. The diversion of the money has raised questions here about the sincerity of the U.S.' commitment to the fight against illegal drug trafficking and drug abuse.

The visit also takes place just one day before the government announces the details of a new agreement with the International Monetary Fund, which is expected to have tough conditions attached.

Costa Rica

Arias To Receive Violeta Chamorro 26 Jan

PA2501140190 San Jose Radio Reloj in Spanish 1236 GMT 25 Jan 90

[Text] President Oscar Arias will meet with Violeta Chamorro on 26 January. Chamorro, who is the Nicaraguan opposition's presidential candidate, will arrive in the country today. She will visit the country for 3 days, and President Arias will receive her during her visit.

Presidential sources have confirmed that the president will receive the Nicaraguan National Opposition Union candidate in his office at 1000 on 26 January. Chamorro and Arias Sanchez will mainly discuss the Nicaraguan political situation and the development of the electoral process.

Nicaragua Denounces Contra Ambush of Ortega

PA2501005390 Panama City ACAN in Spanish 2228 GMT 24 Jan 90

[Text] San Jose, 24 Jan (ACAN-EFE)—The Nicaraguan Government denounced today through its embassy here that the contra troops who tried to ambush President Daniel Ortega have "sophisticated communications equipment," supplied by the United States as "humanitarian aid."

The Nicaraguan Embassy included this in part of a note published today which contained a copy of a letter sent by Foreign Minister Miguel D'Escoto to U.S. Secretary of State James Baker, to the UN Security Council, and to the OAS Permanent Council.

Ortega denounced about 800 contras who tried to ambush him on 20 January. This event was denied by the anti-Sandinists who have called this a "propaganda ploy" in view of the 25 February elections in which Ortega is a candidate.

"Sandinist military intelligence managed to decipher the comunications between contra troops," in which they supposedly described the alleged attack against Ortega.

In addition to the "energetic" protest against the United States, they insist that 1,500 "mercenaries" have infiltrated into Nicaragua from their bases within Honduras.

El Salvador

Cristiani To Meet With UN, U.S. Officials

PA2401230590 San Salvador LA PRENSA GRAFICA in Spanish 24 Jan 90 p 3

[Text] President Alfredo Cristiani will go to a full session of the Legislative Assembly to obtain permission to travel to the United States to meet with UN Secretary General Javier Perez de Cuellar.

According to the agenda, Cristiani is to be at the Legislative Assembly at 1030 [no date as published] to explain to the deputies the reasons for his trip to the United States. The trip is scheduled for next week.

Cristiani's meeting on 31 January with Perez de Cuellar has been confirmed, and during lunch the two "will discuss the Central American situation and the proposals calling for the UN Secretary General's mediation in the Salvadoran conflict."

Some sources report that leaders of the Farabundo Marti National Liberation Front [FMLN] have called for United Nations mediation in the Salvadoran conflict and met earlier this month with Alvaro Soto, Perez de Cuellar's representative for Central America.

According to what has been explained to the Legislative Assembly, President Cristiani will visit the United States in the framework of the San Isidro Coronado, Costa Rica declaration signed by the presidents of the Central American countries. The declaration calls for the mediation of the UN secretary general in establishing a dialogue between the Salvadoran Government and the FMLN.

Cristiani had planned to make the trip 16-20 January, but it had to be postponed because Perez de Cuellar was in Moscow at that time. For this reason, Cristiani has asked the Legislative Assembly a second time for permission to leave. Permission should be granted tomorrow.

Diplomatic sources have reported that during his tour, President Cristiani will talk with U.S. authorities in Washington to ask for an extension of U.S. military and economic aid to El Salvador, which amounts to more than $500 million annually.

Ponce Says FMLN Rebels Plan New Offensive

PA2401231990 Panama City ACAN in Spanish 2137 GMT 24 Jan 90

[Text] San Salvador, 24 Jan (ACAN-EFE)—Colonel Rene Emilio Ponce, chief of the Armed Forces general staff, today disclosed an alleged plan in which the guerrillas will attempt to attack military positions in San Salvador "to pressure the government into negotiating a political solution" to the armed conflict.

Citing military intelligence reports, Ponce anticipated that "as of next weekend, until 10 February, the guerrillas will carry out terrorist actions and attacks on military units, primarily in the metropolitan area, to influence the international community in a propagandistic manner."

"They are trying to influence the international community so that it, in turn, will move toward negotiating a political solution to the armed conflict," Ponce said during a news conference at the general staff's headquarters.

The execution of the alleged Farabundo Marti National Liberation Front (FMLN) plan will coincide with Salvadoran President Alfredo Cristiani's scheduled trip to the United Nations at the end of the month.

Cristiani will meet on 31 January with UN Secretary General Javier Perez de Cuellar, to request his good offices in favor of resuming the dialogue with the guerrillas, which was suspended in October.

Following November's guerrilla offensive, the government and FMLN have expressed a willingness to resume the dialogue, with United Nations participation.

Ponce pointed out that the "specific areas" the guerrillas will attempt to attack are some of the military positions at the El Espino farm in the northwestern part of San Salvador, Ayutuxtepeque in the northern part of the country, Zaragoza and Huizucar in the southern part of San Salvador, and Soyapango in the east.

These areas are among the leading sites of the bloodiest clashes between soldiers and guerrillas during the rebels' harshest offensive 11 November.

The dialogue between the Salvadoran Government and rebels was suspended in October following a dynamite attack against a labor union headquarters in which 10 workers were killed and 30 others wounded.

Prior to the suspension of the dialogue, the government and FMLN held two rounds of talks in Mexico and Costa Rica, but failed to reach agreements that would have ended the country's armed conflict.

Deputy Minister's Home Attacked; No Casualties

PA2401162190 Hamburg DPA in Spanish 1537 GMT 24 Jan 90

[Text] San Salvador, 24 Jan (DPA)—Military authorities have reported that there was an attack this morning against the home of retired Colonel Carlos Humberto Figueroa, deputy interior minister, but that there were no casualties.

The report notes that the home of the deputy minister, located in an eastern neighborhood of San Salvador, was machine-gunned from a passing vehicle.

Also, heavy bombing was heard last night, apparently directed against positions of the Salvadoran guerrillas on the foothills of the San Salvador volcano.

Guatemala

Cerezo on Panama, Central America Peace Process

PA2501004090 Panama City ACAN in Spanish 2221 GMT 24 Jan 90

[Text] Guatemala City, 24 Jan (ACAN-EFE)—Guatemalan President Vinicio Cerezo has said it would be "positive" to integrate Panama into the Central American peace process and added that the area is slowly advancing toward peace.

Despite the problems, "I believe that Central America is about to end the phase that has cast us against each other," Cerezo said during a news conference.

The president considered it to be "positive" to integrate Panama into the Central American peace and democratization process, which started in August 1987 with the peace agreements known as "Esquipulas II."

"We should work to integrate (Panama) into several organizations," Cerezo said, adding that the current Panamanian leaders "are facing enormous problems, but they represent the people's will."

Cerezo said that the democratization process has progressed with difficulty in the zone, and Costa Rica is not the only democratic country now because "several of our countries are consolidating democracy."

Cerezo believes that the only thing left to complete the peace process is for Nicaragua to hold normal elections, because they have been questioned in the past.

Following the elections in Nicaragua, scheduled for 25 February, Central America will take a quality step toward the consolidation of peace, the Guatemalan president stated.

Cerezo said he "trusts" that the Nicaraguan Government will accept the people's will, because the contrary would again create the conditions for an internal confrontation in that country.

The dilemma in Central America is that groups still prevail that refuse to disappear and, as long as these "dinosaur species" exist, they will continue to cause harm, he stated.

The Guatemalan president said that Honduras and El Salvador are advancing toward democracy because they both held free elections in which the opposition won.

Cerezo added that normal elections will be held in December and power will be turned over to the opposition if it wins, as happened in the other Central American countries.

Referring to the informal meeting that the Central American presidents—except Nicaragua—will hold in Honduras on the occasion of Leonardo Callejas' inaugural as new Honduran president, Cerezo said a date for the Central American "summit" could "possibly" be established.

The meeting must be held in Nicaragua during the first quarter of 1990, as agreed by the presidents in December 1989 when they met in Costa Rica.

Nicaragua

Contras Reportedly Propose Cease-Fire

PA2401224390 Madrid EFE in Spanish 2155 GMT 24 Jan 90

[Text] United Nations, 24 Jan (EFE)—Representatives of the Nicaraguan Resistance (RN) today proposed a cease-fire to create a climate of "trust" in the 30 days prior to the Nicaraguan elections.

However, they maintained that the demobilization will not take place prior to the elections, scheduled for 25 February.

The contra delegation, headed by Enrique Bermudez and Bosco Matamoros, presented their proposal today to Alvaro De Soto and Hugo De Zela, of the United Nations and the OAS, respectively, and to members of the International Commission of Support and Verification [CIAV] of the Central American peace agreements.

Government 'Not Willing'

PA2501040390 Hamburg DPA in Spanish 0300 GMT 25 Jan 90

[Text] Managua, 24 Jan (DPA)—The Nicaraguan Government is not willing to negotiate a cease-fire with the Nicaraguan Resistance [RN] (contras) as the end of the electoral process draws near, as proposed by rebel leaders at the United Nations.

The state-owned television tonight (local) said that a Nicaraguan Foreign Ministry source stressed that Nicaragua would only negotiate "an end to the war" with the contras and not a cease-fire.

The television emphasized that the source noted that the contra intention is to improve its "international image" after killing two nuns in Nicaragua's northeast on 1 January.

A contra proposal announced in New York today expresses the rebels' interest in negotiating a cease-fire with the Nicaraguan Government, but the Managua regime did not express any intention of talking with the rebels.

According to the agreements signed by the Central American presidents, the contras who are in Honduras—approximately 10,000 according to RN military chief Enrique Bermudez—and 5,000 who remain in the Nicaraguan mountains should begin a process of demobilization to pave the way for the elections as a means of achieving peace in Nicaragua after 8 years of military struggle.

The contras received approximately $50 million in economic aid from the United States in the final months of 1989. The United States also assigned $3 million for the rebels' demobilization.

The electoral laws were modified so that the contras who abandon the armed struggle can participate in the 25 February elections. Dozens of political leaders linked to the contras have returned to Nicaragua, joining an opposition party.

Hundreds of contras have laid down their arms to return to Nicaragua under the United Nations' and OAS' protection.

Contra Chief Denies Plan To Ambush Ortega

PA2501042490 Hamburg DPA in Spanish 0314 GMT 25 Jan 90

[Text] Managua, 24 Jan (DPA)—Commander Enrique Bermudez, the military contra chief, today ordered the release of a report in Managua saying that he "does not plan to ambush dictator Ortega."

President Daniel Ortega charged on Sunday that a contra group tried to ambush his caravan between Quilali and San Juan del Rio Coco, near the border with Honduras, as he was engaged in campaign activities as the presidential candidate of the Sandinist National Liberation Front.

Ortega said that the plans, which were intercepted by radio from the contras' communications system, were designed to hurt the electoral process and assassinate him. Ortega's charge was presented to the Nicaraguan election observers.

U.S. Commits 'New Act' of Interference

PA2501135690 Managua Radio Sandino in Spanish 1204 GMT 25 Jan 90

[Text] The U.S. Government carried out a new act of interference in Nicaragua's internal affairs when the U.S. Embassy's second secretary visited Region 1 and left specific instructions for leaders of UNO [National Opposition Union] in Esteli and Somoto.

(John W. Shearborne), in a new edition of the plan carried out by expelled Ambassador Richard Melton, met in Esteli with UNO coordinator Braulio Lanza and activists Oriel Correa, Alejandro Hernandez, and Abraham Henriquez, among others. The U.S. second secretary's employees removed from his automobile, which carried diplomatic license plate No. 1935, a large quantity of printed propaganda and instructions for the activists on steps to be taken in Region 1.

To mask his activities and give the impression that this was a social visit, (Shearborne) also met in Esteli with the bishop, Msgr Julio Cesar Videa, and with Homero Fernandez, ONUVEN [UN Observer Mission for the Verification of Elections in Nicaragua] observer in that city.

In Somoto, the high-ranking U.S. diplomat talked with Salvador Hernandez, UNO activist and correspondent of LA PRENSA, giving him instructions on how to

denounce a presupposed electoral fraud, and how to organize for an upcoming visit by candidate Violeta Barrios.

Borge To Represent Ortega at Callejas Inauguration

PA2501041690 Managua Radio Corporacion in Spanish 2300 GMT 24 Jan 90

[Text] Interior Minister Tomas Borge Martinez will represent Daniel Ortega in Honduras during the inauguration of President-elect Rafael Leonardo Callejas. Foreign Vice Minister Victor Hugo Tinoco will travel with Borge. Tinoco announced that the official delegation does not have any objectives or orders to discuss anything about the peace proces.

Ortega is the only Latin American leader who will not attend the important event. He has claimed that he wants to stay in Nicaragua to secure his victory in the 25 February elections.

D'Escoto Denounces Newspaper's Ethnic Remark

PA2501033790 Managua BARRICADA in Spanish 24 Jan 90 p 5

[Text] Carlos Fernando Chamorro
Director
BARRICADA newspaper

Dear Carlos Fernando:

I was stupefied when I read the article "The UNO [National Opposition Union] Swindle," by Roberto Larios, which was published in the 18 January edition of BARRICADA, and saw a reference to the U.S. Congress' "Jewish style."

Regardless of what one may think of the U.S. Congress, it is unacceptable from any point of view to resort to ethnic stereotypes that may be interpreted as racist and derogatory. Furthermore, this type of prejudice contradicts the principles espoused by our government, the Sandinist National Liberation Front, and our people's feelings.

Although BARRICADA's 19 January edition carried an explanatory note pointing out that its editorial policy is to oppose any type of racial discrimination, and that it upholds the principle of full respect for others' religious beliefs, BARRICADA should also oppose the publication of articles containing characterizations that contradict the most basic principles of human coexistence.

Freedom of press does not entitle anyone to insult any human group in the world.

Fraternally,
Miguel D'Escoto

EPS Official on Elections, Military Service

PA2501001390 Managua Radio Sandino in Spanish 2030 GMT 24 Jan 90

[Text] In a statement for this newscast, Colonel Hugo Torres, chief of the Political Directorate of the Sandinist People's Army [EPS] has said that elections will take place normally in Nicaragua because the Armed Forces are determined to guarantee its normal development.

Col. Torres added that talking about a government of national unity in Nicaragua is too hypothetical.

Regarding the idea of abolishing the EPS regardless of who wins the elections, Col. Torres said that those who propose this do not have their feet on the ground and do not understand the phenomenon of military defense.

[Begin recording] [Torres, in progress] ...the EPS is willing to reduce its size [word indistinct] considerably. I am talking about several thousand men. In fact, with the economic adjustments we have made in implementing our economic package, we have already reduced our force by 15,000 men. Therefore, that gives you an idea of the reductions possible during times of peace.

[Reporter] Would the Armed Forces support a government of national unity in Nicaragua?

[Torres] I will give you my personal opinion. I think this is too hypothetical, particularly when every day we can clearly see the pictures and reports from television which encourage the people to give their continued support. I am speaking as a revolutionary man. I believe that the FSLN's [Sandinist National Liberation Front] victory on 25 February will be overwhelming, I have no doubts about that. However, we respect the laws and the Constitution.

Regarding your question, I must tell you that thinking of eliminating the EPS regardless of who wins is not having one's feet on the ground, not understanding the phenomenon of defense in this country, denying everything our people have accomplished throughout these years to preserve our sovereignty and self-determination.

[Reporter] Speaking about the military service again, in times of peace, specifically, what would be required from our youths?

[Torres] Specifically, as I mentioned before, the military service is part of the national defensive system. It is a necessary part of the national defensive system, particularly in a country like ours, which has a weak economy as a result of war and the condition in which we received the country. Therefore, our country needs an army of cadres, a professional army, with permanent structures made up of officers and technical personnel, and troops basically made up of mobilized youths. In that sense, we cannot do without the patriotic military service, which is necessary for a stable defense in our country.

However, obviously in times of peace, we would dedicate our best efforts to improving the combativeness of

our soldiers in order to strengthen the national defensive system, which after all is the dissuasive factor in preventing an attack from our enemies against our country.

For our youths specifically, this will mean that they will have better opportunities to study. This year we will launch another literacy campaign within the Army. Several officers have registered for preparatory courses, and we have implemented educational plans. Therefore, our youths will have more opportunites to improve their technical education, which will give them a better basis for their future work, and for their future technical and professional education.

Our youths and their families should realize that military service is good for them, as they learn good habits and discipline, and they become aware of their role in society and in their families. In that regard, during the 2 years of military service, our youths acquire certain habits and capabilities which will enable them to have a better basis for their future studies and professional life.

At the same time, they will have better opportunities to develop their physical condition through sports. We have practiced sports on a permanent basis in the Army; we have done so during times of war, and more so in times of peace. In fact, some members of the Nicaraguan boxing, shooting, and wrestling teams who won medals in the Central American games came from the Army. Therefore, from that point of view, our youths will have more opportunities for developing a healthy mind in a healthy body.

[Reporter] Some parties have proposed taking their political campaign to the military units. Will you allow them to do that?

[Torres] I have learned through the media that this has been requested at the Supreme Electoral Council [CSE]. We are waiting an official reply. We must wait for that reply. We are waiting for the resolution after formal and legal procedures are followed. [end recording]

Electoral Council Reports on Election Preparations

PA2501023590 Managua Radio Corporacion in Spanish 2300 GMT 24 Jan 90

[Text] The Education Minister has set a new date for the beginning of the 1990 school year upon a request from Supreme Electoral Council [CSE] President Mariano Fiallos.

Following a meeting between the two officials, it was decided that classes will begin on 26 February, the day after the presidential elections.

Parents can take advantage of the postponement of the beginning of classes to save money to buy the school supplies their children will be using throughout the year.

The CSE has reported that approximately 50,000 persons who will participate in the elections and vote-counting process in connection with the 25 February presidential elections have been trained.

All ballot boxes will have the capacity for receiving approximately 700 ballots. If necessary, full ballot boxes can be removed and replaced by empty ballot boxes. This change will be made by supervisors at the polling tables.

Information from the departments will be sent from 178 telexes installed in regional offices. The information will be sent to receiving telexes in Managua.

In Managua, there will not be telex service, because data from the capital will be sent either by taxi or other transportation means.

Initial reports on 80 percent of the votes cast could be available at 1000 on 26 February.

Money Problems Hurt Opposition Unity

PA2501042690 Managua BARRICADA in Spanish 24 Jan 90, p 4

[Text] The Political Council of UNO [National Opposition Union] expected the delegation of former contras that [illegible]o arrive yesterday in Managua to bring at least $50,[illegible]o support its election campaign.

However, a source close to Alfredo Cesar noted that the expectations of the Political Council could be frustrated and provide a new motive for a rift among the leaders of the coalition financed by the U.S. Government.

Most of the money to be brought by the delegation has already been spent because Dona Violeta Chamorro de Barrios used it to finance her tour through several European countries in November.

A balance of $38,000 was later withdrawn by Enrique Delgadillo, a technocrat who works closely with Cesar.

The account managed by the so-called Committee of Nicaraguans for Free Elections [Comite de Nicaraguenses para Elecciones Libres] would have nothing for the UNO's Political Council, which means Virgilio Godoy will be vexed because he is one of those who have mentioned the existence of those funds on various occasions.

Godoy was hurt by Dona Violeta when she sent a message by fax expressly telling donors in Los Angeles not to deliver an amount of money to him.

The vice presidential candidate became furious when the donors told him about Dona Violeta's decision. He threatened to go public with the matter and succeeded in getting those handling the money to give him $2,600.

The fight over money is between Dona Violeta's campaign committee, which is controlled by Cesar and

Antonio Lacayo; and UNO's Political Committee, in which Godoy has acquired some sympathizers.

Eli Altamirano has reportedly taken sides with Godoy and protested the action against him in Los Angeles. The leader of the Communist Party of Nicaragua (PCdeN) is one of those who had their hopes on the money that the delegation from Miami will supposedly bring.

Godoy has suffered several setbacks of late because he tried to take control of UNO when Dona Violeta fell and had to leave to Houston for an operation.

During a meeting of the Political Committee, Godoy repeated the remark that resulted in the serious estrangement he suffered: "That bag of bones is good for nothing."

Godoy asserted that day that Dona Violeta was in such poor shape that she would not resume the campaigning. During the few political rallies he held in her absence, he dislodged the team that accompanied her from the dais and replaced it with his own people, who included Jaime Bonilla.

Several members of the Political Council, who had always considered Godoy a second-rate figure, changed their attitudes. They even began cheering him during rallies and joined his entourage.

Because they thought the Chamorro widow would not return, Godoy's new friends came out badly and do not know what to do now to ingratiate themselves again with the candidate, who feels that they betrayed her.

Another flank is under attack at UNO's Political Council. It is the new speaking theme the candidate is trying under instructions from U.S. propaganda experts and Cesar.

In meetings in which Mrs. Chamorro has participated since her return, she has introduced a new gimmick—anticommunism. She has disparaged Marxism-Leninism, taking advantage of the wave of reform sweeping East European countries.

PCdeN Secretary General Altamirano has felt particularly affected by the candidate's new campaign theme and has probably raised his displeasure in this regard at the meeting the Political Council was supposed to hold yesterday afternoon.

Apparently, the candidate's team has the Godoy-Altamirano duo in its sights. As can be remembered, both—but most particularly Altamirano—dealt Cesar the blow of expelling him from the Campaign Committee.

As the UNO campaign advances, there is growing bickering over the handling of the million-dollar financing from the United States and because of serious rivalries the political leaders have not been able to surmount. The bickering may grow in intensity during the next few days.

UNO Seeking To Legalize Status of IPCE

PA2401192290 Managua Sistema Sandinista Television Network in Spanish 0200 GMT 24 Jan 90

[Passages within quotation marks recorded]

[Text] UNO [National Opposition Union] is taking steps to convert the Institute for Electoral Promotion and Instruction, IPCE, into a foundation. UNO receives part of the money approved by the U.S. Congress through this organization. Apparently, UNO will no longer have an excuse to declare electoral fraud, as it has said that elections will be completely controlled and that Congress donated $1.5 million through IPCE for this purpose. This was stated by IPCE Treasurer Guillermo Potoy:

[Potoy] "The Electoral Council is a very large organization and has personnel at all levels—departmental and municipal—to have complete control of the Nicaraguan elections."

The IPCE has been working illegally because it does not have legal status and it has not been registered to receive donations. This makes it more difficult to receive any additional funds through the Central Bank, as was stated by Potoy himself:

[Potoy] "This is a requirement. The institute cannot continue to receive funds as such, and a foundation or association must be formed. We are taking the legal procedures to establish such an institute so it may receive aid legally, openly, clearly, transparently, and through government channels."

Despite acting illegally, the IPCE received equipment [words indistinct] for UNO:

[Potoy] "We have only received Toyotas and other types of vehicles, furniture, office equipment, and other items of this type that are not to be used for partisan purposes."

The IPCE's contract with the U.S. Congress establishes that funds cannot be used for UNO's campaign or for proselytizing. However, they had planned to pay UNO's payroll with these funds, as was recently published by EL NUEVO DIARIO newspaper.

[Potoy] "The budget was prepared [words indistinct] but the money to cover these payrolls has not been received."

Political observers have said it is difficult to demonstrate that IPCE funds are used impartially because the IPCE board is formed by UNO candidates: Silvano Matamoros is the president and Guillermo Potoy the treasurer, while Alfredo Cesar channels the funds. Potoy said the program is being strictly managed by auditors contracted by the U.S. Congress.

Panama Banks Thought To Retain Sandinist Dollars

PA2501034390 Managua Radio Corporacion in Spanish 2325 GMT 24 Jan 90

[Text] The Nicaraguans are wondering how much money the Sandinist Government has, how much the Sandinists have in Panama, and how much has been lost as a result of the fall of Manuel Antonio Noriega in Panama.

According to reports from abroad, the Nicaraguan Government has dollar deposits in Panamanian banks. These funds form part of the foreign exchange that the Nicaraguan Government manages in connection with international commercial transactions.

No estimate can be made as to the amount of dollars deposited in Panama in the form of official Nicaraguan funds. Nicaragua did not trust other banks because it owes money to Mexico, Guatemala, El Salvador, and Costa Rica as a result of commercial transactions, and it feared an embargo.

There are also personal funds that belong to the Sandinist leaders. It is believed that many of them, top and lesser officials, have deposited money in Panama in case of an emergency.

Captain Roger Miranda, a deserter from the Sandinist Army, has estimated that one Sandinist leader alone could have as much as $180,000, money that reportedly has been deposited in a personal account.

Defense Minister Army General Humberto Ortega reportedly has a Swiss account. Miranda has reported the number of that account. This report has never been officially denied by the Nicaraguan Government.

Reportedly there is more money deposited in Panamanian banks. This money is to pay supply orders from diplomatic stores [diplotiendas] and commercial centers. It has been estimated that these funds amount to approximately $120 million. There is little information on this. The only recent report on this was made by Daniel Ortega, who recently estimated that diplomatic stores were providing a clean profit of $10 million annually to their owners and no one knows if the owners are the Nicaraguan Government or the Sandinist officials.

We are going to use 10 percent of those profits to buy rice and beans for the people, Daniel Ortega has said. Apparently he is concerned about the two different standards of living that Sandinism has introduced in Nicaragua.

Anyhow, all this money apparently is being retained because the Guillermo Endara government has decided not to permit the withdrawal of suspicious money from Panama. This includes money that could have been laundered and that could be used to pay transactions by drug traffickers. This, of course, does not have to be the case of the Sandinists, but it is believed that at least five companies that function in Panama have U.S. currency that belongs to important Sandinist Government officials.

An expert has said that in some cases it would be difficult to determine the origin of the funds of a commercial firm and to link those funds to any particular person, but with patience, everything is possible and it is certain that the Endara government will patiently search for the money of Noriega and the money of the Sandinists, the expert said.

Panama

Linares Discusses Peru President's Statements

PA2401185390 Panama City LA PRENSA in Spanish 23 Jan 90 p 1

[Report by Zoila Rodriguez Jovane]

[Text] Foreign Minister Julio Linares warned that the Panamanian Government will not tolerate governments not accepting Guillermo Endara as the legitimate president of the Republic to have diplomatic delegations in the country.

Linares, who assumed his post at the end of December 1989, noted that Peruvian President Alan Garcia and Foreign Minister Guillermo Larco have repeatedly stated that unless certain conditions are met, Peru will not accept President Endara. Linares did not specify these conditions.

"Confronted with this attitude, the Peruvian Government has two alternatives: Normalize its relations with Panama, or withdraw its diplomatic mission from our country," said Linares.

Alan Garcia, who approved and received the visit of the Democratic Opposition Alliance candidates after the annulled 11 May elections, publicly stated that he will not accept Guillermo Endara Galimany's mandate until it is ratified through new elections. He condemned the U.S. intervention and demanded the immediate withdrawal of U.S. troops from Panamanian territory.

Also, Guillermo Larco Cox called Endara a "Judas" for backing the U.S. intervention, but later he said his statement had been too harsh.

The foreign minister noted that tension between Panama and Peru is not due to the Panamanian refugees in the Peruvian Embassy, and he gave the example of other diplomatic delegations that also have refugees but with whom conflict has not ensued.

"The situation was caused by President Alan Garcia's and Foreign Minister Guillermo Larco's unfortunate statements against President Endara and the Panamanian Government, which we considered insulting and offensive," said Linares.

The minister said that Panama's present government would allow the necessary amount of diplomats to stay and attend to the needs of Panamanians that have been given asylum until their "status" was resolved—if relations with Peru, Cuba, or Nicaragua were broken.

However, he added that "it would help if both (Garcia and Larco) stopped making statements of this type so our countries' relations may be normalized, as is this government's aspiration and desire."

Endara Returns From Costa Rica; Comments

PA2401154790 Panama City Telemetro Television in Spanish 2300 GMT 24 Jan 90

[Text] During his brief visit to Costa Rica, the new Panamanian Government made some accomplishments in the diplomatic and economic fields, President Guillermo Endara said yesterday after returning to Panama, where he was welcomed by First Vice President Ricardo Arias Calderon and several ministers.

President Guillermo Endara returned to the country this afternoon after an official 24-hour visit to Costa Rica, where he was welcomed by his counterpart Oscar Arias. After arriving at Tocumen International Airport, the chief of the executive branch made some statements to the local and international media.

[Begin Endara recording] The accomplishments of this visit are basically of a diplomatic nature. They are accomplishments because in such a short period of time a Latin American country with so much prestige because of its democracy and its president, who is a Nobel Prize laureate, officially invited us to visit. This was the first official visit by the president of the Republic of Panama and it took place quite soon after he took power.

The second accomplishment is the government-level offer for cooperation between the two governments. Costa Rica wants to assist us with its experiences. For example, regarding its foreign debt, Costa Rica had a lengthy but fruitful and successful negotiation with its foreign debt. Costa Rica will offer us its experience and what it learned from this, because it was a lengthy, year-long process. We want to negotiate our debt in less than a year and plan to take advantage of the Costa Rican experience.

We are very interested in learning about Costa Rican police institutions, because for 40 years Costa Rica has maintained peace. We talked about a joint border development plan, which even has some prospects for financing. President Arias and his foreign minister promised to try to make our Latin American brothers understand our situation, as the Costa Rican brothers have understood it. President Arias is greatly interested in the normalization of relations between Panama and our Latin American brothers. [end recording]

Report on Endara's Official Visit to Costa Rica

PA2501122890 Panama City Telemetro Television in Spanish 2300 GMT 23 Jan 90

[Report by Ciro Ortega]

[Text] The most important aspects of President Guillermo Endara's visit to Costa Rica were covered by our special envoy Ciro Ortega.

[Begin recording] [Ortega] President Endara's official visit to Costa Rica has been useful for the new Panamanian authorities to gather experience from a country that is an example of democracy and which lives in peace with no army. Panamanian President Guillermo Endara Galimany, Vice President Guillermo Ford, and Foreign Minister Julio Linares, among other members of the delegation in this special mission carried out various activities in San Jose, Costa Rica, where, in addition, various bilateral treaties between Costa Rica and Panama were renewed. The Panamanian president yesterday met his Costa Rican counterpart Oscar Arias, of whom he asked recommendations on the Public Force and similar issues. During a news conference, the two presidents revealed the topics they had discussed.

[Arias] We are very willing to try to assist you, within our possibilities, with international institutions, with the private banking sector, and with friendly governments in various continents, because this is the occasion when solidarity with the Panamanian people is needed. We have also discussed the respectful suggestion or respectful recommendation we made in the past saying that this is the opportunity to abolish the army, and to end the armed forces. We are leaving behind a decade, the decade of the 1980's, which in Latin America is known as the lost decade. We cannot enter the 1990's continuing to do the same things. We must change many things. Among the things that need to be changed is to make a true effort to try to replace rifles, cannons, tanks, helicopter gunships, and machineguns to be able to satisfy the most essential needs of our people. This is a great opportunity so that in Panama, the huge sums alloted through the years to defense can be reverted to the education and health sectors and to meet other needs of the Panamanian people.

[Endara] Today, once again, we are meeting our Costa Rican brothers, who are the first to officially invite us to their country, to recognize us, and to give us the support we want from all of Latin America.

[Ortega] During the news conference, President Endara referred to the reorganization of the Public Force in Panama and to the need for the United States to provide within a suitable time the economic aid to rebuild the country. The high-ranking Panamanian officials yesterday met Costa Rican Public Security Minister Hernan Garron and Government Minister Antonio Alvarez. During this meeting they discussed again the structure of the Costa Rican police system and aspects that dealt with the common border, such as setting boundary markers every 50 meters in populated areas. Later the Panamanian officials visited the Inter-American Court of Human Rights where they signed the book of distinguished guests. President Endara Galimany and his retinue also visited Radio Impacto, which they termed a radio station that has a place in the texts of Panamanian

history. During the night hours, and from the balcony of Radio Monumental, the Panamanian President greeted the Costa Rican people and hundreds of Panamanians living in Costa Rica. After saying: No more armies in Panama! Endara said that he is determined to reconstruct the country. The crowd asked Guillermo Ford, vice president and planning minister to speak.

[Ford] This was possible thanks to the understanding offered by you and many other fraternal peoples. Today, we shout the campaign slogan that made Manuel Antonio Noriega insane: This damned thing is over! [applause]

[Ortega] Later, and breaking the protocol, the delegation toured Central Avenue in San Jose until they reached Democracy Square. The chiefs of the political campaign of the Social Christian Unity Party [PUSC], lead by Rafael Angel Calderon Fournier, and the National Liberation Party [PLN], headed by Carlos Manuel Castillo—who will be struggling for democratic power in Costa Rica in the elections that will be held on 4 February—met with the Panamanian President. PLN Presidential Candidate Carlos Manuel Castillo referred to the Panamanian situation.

[Castillo] It is a very serious mistake to question the legitimacy of the government of President Endara. The legitimacy of the Endara government lies in the people's will expressed at the 7 May 1989 elections, which is the origin of his mandate. Therefore, it is a legitimate government. The fact a military action like the one that took place in December happened, does not assign illegitimate status to the Panamanian Government. The Endara government received a mandate from the people. The military action was necessary not because of a decision by a foreign superpower, but rather because of the inefficiency of the inter-American system.

[Ortega] Today in the morning hours, Endara Galimany held a news conference at the Sheraton Hotel. He reiterated that public finances are being put in order, and that there will be no more thefts and mistakes in the implementation of plans. He pointed out that the United States has a moral and judicial duty to provide economic aid to Panama. The support Costa Rica has given to Panama, by serving as the scenario for the first official visit abroad by Panamanian President Guillermo Endara, has been fundamental to improving his image and that of his governmnent at the international level.

The issue of the judicial police in a country that lives without an army, which the government plans to emulate in Panama, was also disscussed. Following the news conference at the Sheraton Hotel, Endara Galimany and his retinue headed for the Juan Santamaria Airport in San Jose, Costa Rica, where Endara was rendered honors at the end of his first official visit abroad. Endara then boarded COPA flight 317, and before arriving in Panama, he greeted other passengers on the COPA commercial flight. [end recording]

Col. Herrera Interviewed on Public Force

PA2501000090 Panama City EL PANAMA AMERICA in Spanish 21 Jan 90 p 16A

[Interview with Col. Eduardo Herrera, chief of the Public Force, by Maricarmen Sarsanedas in Panama City—date not given]

[Text] [Sarsanedas] In your view, how can the new Public Force be defined?

[Herrera] According to the order of President Guillermo Endara and the government and justice minister, the new Public Force has to be an organization in which the two basic concepts for membership are: New members must not have been involved in corruption or have been violators of human rights.

Its members are being selected based on those two concepts.

[Sarsanedas] Given the current situation, holdups with heavy caliber weapons, what do you think of those talking about demilitarizing the Public Force?

[Herrera] I also agree with demilitarization, because even though I am a soldier who has taken many courses, even abroad—at the U.S. War College and elsewhere—I think our reality shows that military aircraft, armored personnel carriers, and sophisticated weapons are really not needed in Panama.

Our priority now is security and I think we must have a well-trained, professional force that will provide police services to the community at this time.

[Sarsanedas] Will immediate measures be taken to prevent the holdups?

[Herrera] Regarding to the holdups, I am surprised that they are taking place now; we thought they were going to occur after the Americans left. We did not think they were going to take place so soon. It is true that since the old Defense Forces were destroyed, the new Public Force has emerged without weapons and we are very cautiously arming its members. However, I think that for our own security and that of our people and government, we should have some small units trained to deal with these problems.

[Sarsanedas] How long do you think you will need to get the Public Force really organized?

[Herrera] A short time, because we have purged the members who had given the Public Force a bad image. Not everyone was corrupt. We have a large number of officers who have graduated in almost every Latin American country and some who have even studied in Italy, France, and China.

In reality, not all the officers are corrupt or have problems with violating human rights. They are well trained. What we have to do is wait for the president to give us the order to organize the groups as they should be.

[Sarsanedas] How do you think former members of the Defense Forces can be reincorporated into a Public Force, the power of which is limited by civilian institutions, unlike in the past when they, even privates, had almost unlimited power?

[Herrera] Well, I think you must accept the reality. There is a democratic government. Some of the officers who are here now had been imprisoned or in exile. We believe in democracy and if we did not, we would not be here to help the president.

[Sarsanedas] Will some type of training for a more humane Public Force be established so as to overcome the past 21 years of repression?

[Herrera] Yes, we have obtained significant aid from several countries that are offering courses for specialized personnel in programs of this type that will help us.

[Sarsanedas] The community is concerned about your participation in the infamous black Friday [when Civic Crusade rally on 10 July 1987 was repressed by Defense Forces]. What can you tell us about your participation in those events?

[Herrera] You must bear in mind that I was then Panamanian ambassador to Israel. I had been out of the country virtually since 1979—4 years in the United States, 3 in Venezuela, and 3 in Israel. However, I always came back to Panama on vacation. I was not outside Panama because I wanted to be, but because those here wanted me to be outside the country.

Therefore, when I came back from Israel on vacation, wearing civilian clothes, I was ordered to participate in the operation on 10 July—but not as chief of the group, although I was the most senior officer.

Each company was operating independently. Battalion 2000 was operating in an area and its commander was Major [Federico] Olechea. In addition, there was the Tocumen Company, the Panama Viejo Company, the Dobermans, and many others, all of them acting independently.

However, I was assigned responsibility for the El Carmen Church area. At that time... [changes thought] I believe that if you could talk to the people who were held in custody there, they can tell you about my actions that day, when I released almost all the people arrested there.

I can mention some names to you so that you can personally ask Terence Ford, one of people whose names I recall. We became good friends on that day, he told me the reality of what Panama was enduring. Another is a young man named Jose Luis Moreno, whose name I will never forget because he published everything I told him against Noriega the next day in a newspaper called EL EXTRA. Therefore, I believe that instead of causing harm to me, what Noriega did was positive for me, because I made a lot of friends among the opposition on that occasion. I sent all of them away with the message that they should continue to fight against Noriega. Jose Luis Moreno himself can confirm this to you, because the report he published contained more or less the conversation I had with the people on that occasion. Moreover, on that day, Noriega said on Televisora Nacional that I was in charge of the operation. He said that intentionally, because he was more or less aware of the subversive way I was acting with a large number of people.

Of course, not everyone read that newspaper, so a large number of people did not learn of what I said, but because of that article by Moreno (EL EXTRA - 11 July), I was almost discharged and the following day in the military headquarters I had to categorically deny that I had been telling people to continue struggling.

I even remember that the same day [10 July], the guards who were there were very tired and told me: "Well chief, how much longer are we going to endure this situation with Noriega?"

Because I was not yet well organized, I told them: "Calm down, he knows what he is doing." But there was already much discontent among the troops about Noriega's bad leadership.

[Sarsanedas] If, as you say, there was already discontent among the troops, why do you think the two coup attempts against Noriega failed?

[Herrera] We must bear in mind that over the past 21 years, Noriega had been chief of security and had an organization of terror within the military. One virtually could not even speak with anyone. I saw that discontent when I spent my vacations here. Everyone looked at each other with distrust and no one said anything, but I think that has passed and there is more peace and calm here.

[Sarsanedas] Do you really think there is peace and calm among the troops?

[Herrera] Yes, I believe so. Most of the members of the Public Force are people of humble origins and I do not think anyone likes to beat up people. One does not graduate for that and this is a very small country where everyone has relatives, friends, and neighbors. I think that mission was quite degrading.

I personally wish that the Public Force would become like the British police who do not use weapons, but the problem is that we are not British. Proof of this is the recent holdup of a bank. In other words, we have to provide solutions in line with our national reality.

[Sarsanedas] How have the people reacted and how have the people been treating the new Public Force?

[Herrera] I have toured some areas, for example Chiriqui, where I was commander for some time. There is acceptance. What the people want is peace, the people wanted to rid themselves of the monster. I believe everyone here knows who is who, Panama is very small. Everyone knows who the hoodlums are and who are not—both among civilians and the military.

[Sarsanedas] Will the people's confidence return to the Public Force?

[Herrera] Depending on how we mold the new Public Force chiefs.

[Sarsanedas] When do you think the U.S. troops may be able to withdraw from Panama?

[Herrera] They are very concerned because they suffered about 25 casualties. The Defense Forces had about 300. I do not believe that they want to have to repeat this sort of job, so they have to be sure that when they leave, the Public Force must be able to ensure the safety of all Panamanians.

[Sarsanedas] It is worrisome that there are still arms on the streets and this could start guerrilla groups.

[Herrera] For the time being, I do not believe that there are going to be guerrilla groups.

The problem we have is that, following the U.S. intervention, all the jail inmates went loose. For example, in Colon there were 400 very dangerous inmates who took to the streets and stole guns. I was over there a few days ago and they had recaptured only 11 of them. You can well imagine the problems of the governor and the area chief.

These individuals were dangerous without weapons, with them they are much more so. I believe there have already been a couple of holdups using high-powered rifles. Perhaps in the future we might have other types of regional threats, and we all know what these are, which we also need to be careful about. That is why I believe that Panamanians must be prepared for this.

What happened at a bank is already an indication that we may have this type of problem and we must be ready to assure the people that we are able to control this type of activity in Panama.

[Sarsanedas] What is your opinion on the canal's defense and Panama's role?

[Herrera] I believe the forces needed should be in proportion to true needs. No need for tanks, cannons, and airplanes. We do need a small, professional, well-prepared force, ready to repel any sabotage or terrorist action, but a fancy Army is not needed.

[Sarsanedas] How do you see Panama's future?

[Herrera] Promising.... I believe Panamanians want things to change. There is total enthusiasm among the population despite small things happening in politics. We are going ahead.

Newspaper Articles Reject Need for Army

PA2501013590

[Editorial Report] Panama City LA PRENSA in Spanish on 23 January publishes four articles that oppose the creation of an army in Panama.

According to an 800-word article by Publio Ricardo Cortes, published on page 11A and titled "An Army and Our Possible Enemies," an army is not necessary in Panama because there is no real threat from Panama's possible enemies—Cuba, Nicaragua, the Colombian drug lords, and the Salvadoran guerrillas. He argues that because of Fidel Castro's current domestic problems and growing international isolation, it is very unlikely that he would promote a guerrilla movement in Panama. Cortes adds that Nicaragua's "domestic problems are even greater than those of Cuba and that this prevents it from risking crazy adventures in Panama." Concerning the threat from the drug lords, he stresses that they have been suffering setbacks in their battle with the Colombian Government and that Noriega's downfall has had little effect on the drug market because the drug traffickers had been gradually changing their Panama routes over the past 3 years because of the Panamanian political crisis. As for threats from El Salvador's Farabundo Marti National Liberation Front, Cortes argues that it is busy with its own struggle. He concludes his article stating that there is "no justification for the reorganization of an army in Panama."

In a 400-word article published on page 10A, titled "Nightmare," Angel Talavera expresses concern about the Endara government's reorganization of the armed forces. He asks: "Are our leaders so blind or do they have such a short memory that they do not understand that the National Guard, the Defense Forces, and the Public Force are just three different names for the same thing? What makes us think that the colonels, majors, captains, and lieutenants—who served Noriega so efficiently and participated in the generalized corruption—have changed their stripes?" Talavera continues: "The writing is on the wall and every day I am more afraid when I see that this golden opportunity to be rid of the curse of militarism forever is slipping away, while our elected leaders are arming a time bomb that will surely explode in a few years or maybe in a few months." He urges citizens to "say no to militarism, whatever its name or face."

A 300-word article by Jose Cambra on page 2A continues to question the creation of military forces. He stresses that theme with statements by President Endara and Vice President Arias Calderon to the effect that "one or two public order companies, as they were called during the Noriega regime," must be created; "they are announcing the reorganization of the repressive forces by the same U.S. Army that organized, trained, and armed them during the Noriega regime." He concludes: "Who have the current government leaders consulted concerning such a plan? Or is it that the people will continue to be ignored when decisions are made?"

A 900-word article by Harry A. Diaz and Harry A. Diaz Jr. published on page 11A, titled "What Do We Do With the Public Force?," states that "the experience of a corrupt and amoral military dictatorship and of the civilians who supported it and became its accomplices because of their desire for ill-gotten money should not be repeated." The writers suggest that the Public Force should not be under the control of one man and that the only solution is to "divide it into as many independent corps as necessary so it will be very difficult for them to agree on the establishment of a dictatorship." They then give a general outline of how the Public Force should be divided, including "a small military corps to protect the Panama Canal against possible isolated actions and to defend the country's sovereignty, directly under the orders of the Government and Justice Ministry."

PRD President Views Need for Armed Forces

FL2501154090 Mexico City NOTIMEX in Spanish 0046 GMT 25 Jan 90

[Report by Flavia Irene Rodriguez]

[Text] Mexico City, 24 Jan (NOTIMEX)—Nils Castro, president of the Democratic Revolutionary Party (PRD) of Panama, today demanded the creation of a new armed force in his country to ensure the implementation of the Torrijos-Carter treaties. In an interview with NOTIMEX, he added that, according to the terms of the treaty, if Panama does not form a force capable of taking on the work of protecting the canal that the U.S. Army is currently carrying out, the American forces may remain and continue to carry out that function.

He commented that the announcement by imposed President Guillermo Endara about abolishing the Panamanian army reflects his interest in prolonging the stay of U.S. military forces in the country, not complying with the treaties, and ensuring that he remains in power.

Castro, who is also the vice president of the Permanent Conference of Latin American Political Parties (COPPPAL), explained that Endara intends to abolish the armed forces so that the American troops will stay in the territory beyond the year 2000. The Panamanian politician asserted that the former civilian government's armed forces were eliminated by the violence and repression orchestrated by the United States, and now it is necessary to build a new miltary power capable of guaranteeing that the treaties are implemented.

He specified that the case of Panama is different from that of other countries in the region, where the armed forces could disappear or be minimized. But in the case of the canal, he said, the Panamanian Government has the obligation to maintain these forces and seek a way to have the foreign soldiers leave the territory. Recent events in that nation—the U.S. military invasion—clearly show the intention of the puppet to modify or not comply with the canal treaties to the benefit of the United States, Castro added.

An armed force should be national, representative of the entire people, and not elitist, and—although this cannot be completed in the short term—it should be begun immediately in order to replace the former Defense Forces with an authentic force which has its origins in the people, he said.

He described as a diplomatic disgrace the reception Costa Rican President Oscar Arias gave to Endara, when no other country in the world has dared to recognize an imposed government. Nils Castro further stated that the Costa Rican recognition says a lot about the sense of propriety of that country and especially of its president, who also favors the idea that Panama should not have an armed force.

Refugees at Envoy's Home Granted Safe Conduct

PA2501010390 Panama City EL PANAMA AMERICA in Spanish 23 Jan 90 p 1

[Article by Maricarmen Sarsanedas]

[Text] The Panamanian Government has granted safe conduct to the wife and children of former legislator Luis Gomez, who have sought refuge in the Cuban ambassador's residence in Panama since the U.S. invasion.

This was announced by Foreign Minister Julio Linares, who explained that the safe conduct was granted after the Government and Justice Ministry gave them clearance.

Linares stated that the Foreign Ministry immediately informed Cuban Ambassador Lazaro Mora of the government's decision so Gomez' relatives could leave the ambassador's residence, where they are now under protection, if they wish to do so.

By the same token, the Panamanian Government will grant safe conduct to those persons who are entitled to it after their backgrounds are investigated.

Concerning the Peruvian case specifically, the foreign minister said this situation does not have anything to do with those who took refuge at the embassies. He noted that the differences between the two governments are a result of the offensive and slanderous remarks against our government made by President Alan Garcia and his foreign minister.

Cuban Ambassador: Refugee Situation Under Study

PA2501141690 Paris AFP in Spanish 0335 GMT 24 Jan 90

[Text] Panama, 23 Jan (AFP)—Cuban Ambassador Lazaro Mora has confirmed that the diplomatic corps accredited to Panama created a commission on 23 January that will make an "in-depth study" of the refugee situation at the Latin American embassies in Panama City. Nuncio Sebastian Laboa has denied that such a working commission exists.

Mora reported the creation of the commission without providing the names of its members after 40 diplomats held a meeting at the Italian Embassy. The nuncio was reelected dean of the diplomatic corps accredited to Panama at the meeting. Asked by reporters about the existence of the working commission, the nuncio replied: "We have not discussed that matter."

The Cuban ambassador said that the diplomatic corps "will continue to study alleged violations of the Vienna Convention, the privileges and immunity of the diplomats, and matters pertaining to diplomatic asylum stipulated in the Caracas Convention."

After the 20 December U.S. invasion that toppled General Manuel Antonio Noriega, several pro-Noriega supporters took refuge at the Cuban and other Latin American embassies. The new government has announced it will not grant safe conduct to those people who it described as "common criminals."

According to Mora, the Cuban Government is "greatly concerned" with the situation created after several pro-Noriega associates took refuge at the Cuban Embassy.

Mora noted that this matter "not only affects the Cuban Embassy and other embassies that have had difficulties, but also others that have not had difficulties."

Noriega's wife, three daughters, son-in-law, and 2-month-old grandson took refuge at the Cuban ambassador's residence.

Mora said that diplomatic relations between countries are based on international law, but "if that order is not respected, everything collapses, and that is what we are defending: Everybody's rights."

The Panamanian Government expelled Peruvian Charge d'affaires Luis Sandigas on 16 January. Panamanian Foreign Minister Julio Linares explained that the measure was prompted by Peruvian Foreign Minister Guillermo Larco's "offensive remarks regarding the Endara government."

Major Heraclides Sucre, who has been accused of executing Major Moises Giroldi after the foiled 3 October coup attempt, is among those who have taken asylum at the Peruvian embassy.

Cuba 'Very Concerned'

PA2501015490 Panama City Radio KW Continente in Spanish 1200 GMT 24 Jan 90

[Text] Cuban Ambassador Lazaro Mora stated to foreign and domestic reporters that his government was very concerned about the situation that has developed because of the refugees. He added: My country is not the only one to express concern—I believe many countries have expressed their concern with the asylum situation.

The ambassador spoke to reporters as he left a meeting of the diplomatic corps accredited in Panama that was held at the Italian Embassy. It was reported that at the meeting, the diplomats had discussed the formation of a commission to carry out an in-depth study of persons connected to Gen. Manuel Antonio Noriega who have taken refuge in several embassies in the country.

Panama Canal Commission Official Murdered

FL2401214290 Mexico City NOTIMEX in Spanish 2150 GMT 24 Jan 90

[Text] Panama City, 24 Jan (NOTIMEX)—A Panama Canal Commission [PCC] source today reported that a high-ranking PCC official was murdered last night. The reason for the murder is still unknown.

According to preliminary reports, PCC finance official William Joys was shot by two unidentified men, who, after mentioning the name of Joys' son, convinced his wife, Mildred, to open the door.

PCC spokesperson Mercedes Morris said that it was at that very moment that one of the unidentified men opened fire on 56-year-old Joys, who was unarmed.

The source added that the apparent motive behind the crime was robbery, since holdups of stores, residences, and pedestrians have intensified in recent weeks nationwide, leaving a death toll of at least five people.

The Panamanian Public Force and the U.S. Military Police are investigating the case.

Joys was one of the highest PCC officials. He was appointed financial manager in December. He was a U.S. citizen who was born in the Canal Zone and had been working for the PCC since 1957.

Councilman Reports 'Irregular Groups' at Border

PA2401205490 Panama City EL SIGLO in Spanish 23 Jan 90 pp 1, 14

[Text] Members of the former Peace Battalion are getting organized for guerrilla warfare at the border with Costa Rica, reliable sources from Rio Sereno have reported. According to reports yesterday by Municipal Council President Onelio Miranda, these irregular groups are well equipped and have even threatened area residents with "cutting off their tongues" if they dare to report them.

During a brief visit to meet important government officials, various Rio Sereno representatives took the opportunity to ask President Guillermo Endara and Government and Justice Minister Ricardo Arias Calderon to make efforts to dissolve the Peace Battalion and thus avoid the continuation of militarism and the danger of a new attempt at militarism. The scattered paramilitary groups, which are still a cause of concern for the community, are deployed in various areas of Rio Sereno Corregimiento. There are other reports about the alleged "burial" of weapons.

Honorable Councilman Onelio Miranda requested support from the authorities to try to recover buried weapons and to dissolve the indignity battalions.

Canas Gordas, Santa Cruz, Brenon, and Monte Lirio are the corregimientos that make up the Rio Sereno District [as published]. This district currently has a population of 12,500 people, who face problems with education and have no access roads to bring their agricultural products to the city. In addition, the municipal employees are not receiving their salaries.

Bomb Threat in Panama City 24 Jan; No Bomb Found

PA2501135390 Panama City Circuito RPC Radio in Spanish 1200 GMT 25 Jan 90

[Text] Anonymous calls warning about the presence of explosive devices inside the Atlapa Convention Center in Panama City yesterday prompted the deployment of Fire Department security agents and special U.S. Army South units to the area.

An exhaustive inspection, which included the use of dogs especially trained to detect explosives, was carried out but no such devices were found.

The convention center was evacuated as a result of the anonymous calls, but its workers resumed normal work after nothing dangerous was found.

Editorial Views Cuban Concern Over Noriega

PA2401151290 Panama City LA PRENSA in Spanish 23 Jan 90 p 1

["As of Today" editorial column]

[Text] Noriega's conduct since the invasion, which he himself had provoked, has been roundly criticized by the Cuban Government. According to a press dispatch published by LA PRENSA yesterday, a Cuban government spokesman said the general chickened out at the decisive moment. Among other things, he is rebuked for not having adopted military measures to face the invasion.

Mainly, the Cuban Government does not forgive Noriega for having surrendered to U.S. authorities. The Cubans, as well as many other people, would have preferred to see the general die fighting. Dead men tell no tales, nor do they betray their henchmen. All this reflects Fidel's concern over what Noreiga might reveal during the questioning periods and the trial itself. Noriega must be full of secrets about everyone. This, in turn, shows a lack of psychological insight by those who used him for so many years for all sorts of dirty deals and political adventures. They all believed his boasts. They believed he would die under the rubble of his criminal empire shouting "not one step back," thereby relieving his international accomplices of any embarrassing public confessions. Through his empty words and threatening gestures, no one saw the coward that Noreiga really was. No one suspected Noriega's fear of dying. During the crisis he behaved like a cornered rat moved only by the instinct of conservation.

Fidel will now have to pay dearly for his mistake, because the imprisoned general has only one choice: to make deals with his jailers. For example, in exchange for leniency, Noriega could tell all he knows about Castro and the Medellin Cartel. Knowing the kind of person Noriega is, we would not be surprised if he does exactly that.

Returned Exile Eisenmann Reviews Joys, Concerns

PA2501030190 Panama City LA PRENSA in Spanish 18 Jan 90 p 10A

[Article by Roberto Eisenmann: "Joys and Concerns"]

[Text] Just 10 days in Panama have left in me a turmoil of emotions that are impossible to describe, but I have made a short stop to add, subtract, and reach conclusions as to what my main joys and concerns have been.

Our main joy has been the embrace we received from our fatherland and our countrymen. It was a struggle that ended up belonging to all and I confess that I never expected to receive so many distinctions from my fellow compatriots. The welcome we received was our greatest joy and will remain in our hearts, and we will nourish it forever.

Another joy was to confirm the enormous degree of civic and civilist awareness of our people. All, absolutely all, are applauding and criticizing the work done by public officials. Some persons are concerned by the amount of criticism. I believe this shows a certain level of citizen participation that ensures our democratic future. It is no longer: "Politics for politicians." Now the outlook is: "Politics is everyone's concern. Never again." To acknowledge this was a great joy because the people's creative spirit is bigger than any one politician can have, regardless of how educated he is. When people express their creative spirit on a daily basis, there are few possibilities for new autocrats to emerge.

The phenomenon of citizen militias that spontaneously sprang up and were in large part responsible for Noriega's defeat is another source of joy. Many are worried about the quantity of weapons that turned out to be in their possession. We are happy that the citizens participated, succeeded, and were able to feel the strength of their human solidarity. This is an important development because it will guarantee there will not be another dictator. A major controversy is raging over the possession of weapons, but the two oldest democracies on our continent—the United States and Costa Rica—both have armed citizens. There must be a register of weapons for personal defense and rules on their use; but there must never be permits granted by the government and much less by the Public Force.

Our worries are many, but three are most important:

First, justice: After 21 years of abuse, there is a great longing for justice. The Attorney General's Office must be in the hands of a professional lawyer with a spotless record during the 21 years of dictatorship. I know Rogelio Cruz. He is a qualified lawyer who gained important credibility as an opponent of the regime over the past few years, particularly in the important area of human rights. However, he was at one time an important official in the administration of one of the disposable presidents of the military regime. Some may argue that one must not be too particular, but when the post in question is that of attorney general of the nation, one has to be. There cannot be a single blemish. The situation leaves no room for it. In addition, several assistant prosecutors attached to the Attorney General's Office should already have been appointed. Among others, there should be one for human rights and another for the recovery of misappropriated assets, which should operate with the authority to file class action suits and offer to pay a percentage to citizens who report misappropriations if the recovery is achieved. This will be the only way to handle, with efficiency and prudent clarity, the large number of complaints that will be filed. The murders that have symbolized this long dark period, such as those of Floyd Britton, Hector Gallegos, Hugo Spadafora, and Moises Giroldi, should receive immediate attention. The attorney general should post a list of cases under his jurisdiction daily, so the public can monitor the progress of justice.

The second source of concern is the Public Force. For tactical reasons, the government has had to assign soldiers as the heads of a new institution that the people will only allow to be a police corps. There is the immediate danger that a historical blunder may be committed again by planting the seed of militarism. We know there is no U.S. policy that calls for Panama to be militarized again, but some U.S. advisers—all of whom are soldiers—may be tempted to press for the speedy creation of a force" [quotation marks as published] to enable a quick withdrawal of their forces. I also know Eduardo Herrera, a fellow exile. Herrera is a career soldier and, as such, is incapable of creating a civil police force, which is what the country is demanding. Ordering a soldier to create a civil police is like telling a butcher to perform heart surgery. The training for both is entirely different.

The new Public Force must receive advice from Costa Rica. The 100 Panamanians who received intensive police training in the former Canal Zone must be called to serve. In no way should the new Public Force have an air force. The helicopters and planes must be used by a civilian office devoted to rescue work and transportation, also under the direction of a civilian. The intention to create special counterinsurgency and narcotics units, and such—which are the seeds of militariam—are a source for concern. The use of the word "security" to justify the creation of special Panamanian units sounds like offensive sarcasm to the Panamanian people. As Sabater says, the more afraid we are (for not having special units), the more at ease we should feel. The decisions to be adopted about the Public Force within the next 60 days will affect Panama's future for 100 years. Our government leaders do not have a mandate to make decisions, when there are no democratic filters in place, about such a momentous issue.

Everything must be subject to some manifestation by the people (a referendum or plebiscite) sometime soon.

I would vote for a constitutional reform saying clearly that Panama is a demilitarized and neutral country. Ricardo Arias is a man of deep democratic convictions and deep knowledge—from personal experience—about the effects of militarism. He needs to be able to count on a clear expression of the people's will on this topic, which is so vital to our future as a nation. Our people must obligatorily be anti-military service." [quotation marks as published].

Finally, we are worried about the social bomb looming over us if we do not get an urgent economic injection to make our economy take off again. The United States will give us aid, after it passes through its heavy and lethargic bureaucracy. We cannot depend on this. All talent must be devoted to causing—now—an invasion of private investors, for which the National Investments Council should already be in operation, and the government should already have an operational team devoted to each industrialized country in the world, e.g., Japan, Germany, France, Britain, Canada, and so on. We must be careful not to become unnecessarily dependent on anyone. Let us Panamanians keep the initiative. We are creative, vigorous, and hard-working. Let us get to work!

Finally, we continue to mourn for our compatriots who fell because we were unable to achieve liberation by ourselves, but I feel that our nationalism is right there. Our national anthem seems to have been composed yesterday, not 90 years ago. I feel the patriotic fervor, the enthusiasm of our people; one breathes freedom. There is hope now!

Argentina

Defense Minister Offers 'Irrevocable Resignation'

PY2401141290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1340 GMT 24 Jan 90

[Text] Buenos Aires 24 Jan (NA)—Defense Minister Italo Luder this morning tendered his "irrevocable resignation" to President Carlos Menem. Luder tendered his resignation after leveling sanctions against Army Chief General Isidro Caceres.

In a statement made at Government House after a 30-minute meeting with President Menem, Luder reported that Menem has not yet informed him whether he has decided to accept or reject his resignation. Luder added that he "has always left the president free to make any decision."

Luder said that he sanctioned Gen. Caceres "in keeping with defense minister's responsibilities, as established in a 1973 decree."

Before meeting with Luder, Menem held a series of meetings with Interior Minister Julio Mera Figueroa, Foreign Minister Domingo Cavallo, Health Minister Eduardo Bauza, and with SIDE [Secretariat for State Intelligence] chief Juan Bautista Yofre, among others. During these meetings, Menem discussed the situation created by the sanctioning of Gen. Caceres, who has been on vacation since yesterday.

Defense Minister Luder reported that he punished Caceres because on 17 January, Caceres, without informing Luder, discussed domestic security issues with Menem and other high-ranking government officials at a dinner held at the Mounted Granadiers Regiment.

'Text' of Official Resignation

PY2401144290 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1343 GMT 24 Jan 90

[Text] Buenos Aires, 24 Jan (NA)—The Defense Ministry has released the text of Defense Minister Italo Luder's official resignation:

"This is to tender President Carlos Menem my irrevocable resignation from the position of defense minister, to which he appointed me during a serious crisis that was affecting all sectors of the nation.

"From the time of my appointment until now, the goals foreseen in the short-term plan for the Defense Ministry area have been achieved: the Armed Forces are duly subordinate to the political power and are fulfilling their specific duties; the domestic conflicts have ended; and the Armed Forces are supporting the institutional system.

"The salaries of Armed Forces members have regained their purchasing power; other mechanisms to restore the Armed Forces to the operational level required for the country's defense have been reactivated; and the directives for this year's military strategies have been drawn up. I believe that I have fulfilled the requirements of this stage of our plans, and that, even without belonging to the public employees cadre, I can work for the success of this administration within the framework of a mature coexistence among Argentines. We will thus put an end to former confrontations and consolidate our national unity.

"I thank President Menem for the attention with which he honored me, and I take the opportunity to express my highest regard and esteem."

Menem Accepts Resignation

PY2401142890 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1505 GMT 24 Jan 90

[Text] Buenos Aires, 24 Jan (NA)—President Carlos Menem announced at noon today that he has accepted Defense Minister Italo Luder's resignation. Menem also announced that he will lift the sanction imposed by the resigning defense minister on General Isidro Caceres.

In a statement made at Government House, Menem said he will disclose the name of the new defense minister tomorrow.

New Defense Minister Named

PY2401234290 Buenos Aires TELAM in Spanish 2327 GMT 24 Jan 90

[Text] Buenos Aires, 24 Jan (TELAM)—Presidential Spokesman Humberto Toledo announced tonight that former Defense Secretary Humberto Romero has been named to replace Italo Luder as the head of the Defense Ministry. Toledo also reported that Romero will be installed on 26 January at 1000.

Court Reaffirms Extradition Treaty With U.S.

PY2401192890 Buenos Aires Domestic Service in Spanish 1500 GMT 24 Jan 90

[Text] From the Hall of Justice, Marcelo Orlando has reported that the Supreme Court has reaffirmed the validity of the extradition treaty that Argentina maintains with the United States.

According to Marcelo Orlando the Supreme Court made this reaffirmation when it decided that Fernando de Jesus Bruno Abertot should remain in custody. Abertot is wanted in the United States on drug trafficking charges.

New Director of Central Bank Designated

PY2401214990 Buenos Aires TELAM in Spanish 1619 GMT 24 Jan 90

[Text] Buenos Aires, 24 Jan (TELAM)—Carlos Pando Casado was designated by the National Executive Branch as the new director of the Argentine Central Bank, "for the rest of the legal period."

Pando Casado was designated through Decree 168, which was signed yesterday by President Carlos Menem and Economy Minister Antonio Erman Gonzalez.

New Presidential Press Secretary Appointed

PY2401210490 Buenos Aires DYN in Spanish 2144 GMT 23 Jan 90

[Excerpt] Buenos Aires, 23 Jan (DYN)—Reporter Fernando Niembro was installed today as the new presidential press secretary replacing Jorge Rachid. Niembro has the presidential mandate to dissolve the secretariat in 60 days and to create a new organization "with the minimum necessary means" to cover government acts. [passage omitted]

Bolivia

Committee of Solidarity Rejects Thurman's Visit

PY2401181390 La Paz La Red Panamericana in Spanish 1130 GMT 24 Jan 90

[Text] The Bolivian Committee of Solidarity with the People [Comite de Solidaridad con Los Pueblos] believes that the announced visit to Bolivia of General Maxwell Thurman, chief of the U.S. Southern Command, is an offense to Bolivian dignity.

This organization believes that the presence of the U.S. military officer in Bolivia undermines the dignity of Bolivians. It also notes the atrocities that U.S. troops perpetrated in Panama during the U.S. invasion.

Peruvian Embassy Names Drug Summit Team Members

PY2401215790 La Paz La Red Panamericana in Spanish 1100 GMT 24 Jan 90

[Text] The Peruvian Embassy in La Paz has issued a note in which it states the Peruvian delegation to the North-South Parliamentary meeting on drug trafficking, which is scheduled to be held from 28 January to 30 January, will be comprised of two senators, two deputies, and an adviser.

The Peruvian delegation will be headed by Senator Cesar Delgado Barreto and Senator Romulo Piago and will include Deputy Jorge Sanchez Pampani, Deputy Gerardo Bailon Airzo, and Senate Adviser Jose Orestes.

The Peruvian delegation will arrive in La Paz on 28 January.

Interior Minister Comments on Police Corruption

PY2401202690 La Paz La Red Panamericana in Spanish 1130 GMT 24 Jan 90

[Text] Interior Minister Guillermo Capobianco has reported that action is being taken against some national police officers who participated in an operation in Santa Cruz. The so-called Okinawa operation resulted in the escape of drug trafficker [first name indistinct] Chaves.

Capobianco said that (?police) investigations ended yesterday but that the process will continue until the case is completely solved. He said that those responsible for the escape and for extortion will be punished.

Capobianco added that there are cases of corruption in several national and international institutions. [passage indistinct]

Brazil

Collor de Mello Holds Brasilia News Conference

PY2501000290 Rio de Janeiro Rede Globo Television in Portuguese 1127 GMT 24 Jan 90

[News conference by President-elect Fernando Collor de Mello with foreign and local reporters at the Itamaraty Auditorium in Brasilia—live; broadcast in progress]

[Excerpts] [Kuck] Claudio Kuck from GAZETA MERCANTIL. Mr President, you have emphasized that the first problems to be resolved will be inflation and the public deficit. We currently have to move the equivalent of nearly $70 billion in government securities through the overnight market each day. The financial market is restless. How will you.... [changes thought] What are your plans for the internal debt?

[Collor] I believe that now more than ever there is a need for the Brazilian Government to demonstrate that it wants to clean up the state financially and that it wants to resume the path of an economic development hand in hand with justice and social well-being. What we have verified is that in all these processes of economic adjustment and in the implementation of new economic programs, the government has always demanded sacrifices from society as a whole while not demanding any sacrifices from itself. Instead of words and speeches, Brazilian society is demanding examples from the government: effective actions and attitudes that clearly demonstrate this economic adjustment program begins with the state.

Everyone knows that control over the budget has been lost, that expenditures by the state apparatus are overextended, that there is waste, that corruption exists, and that there is disorder at all levels of public administration. Our first action will be to reduce the size of the state so it will no longer be inefficient, gigantic, and corrupt. Instead, it will be a light, austere, and efficient state. Measures to this end have been announced and they will be adopted on the first day of our administration.

As for our debts, internal and external, we have already talked about the external debt. Referring specifically to the internal debt, the problem is not the size of the internal debt but its time schedule. What we need is a more accomodating time profile so we can finance the public sector without that daily pressure to redeem 7-8 trillion new cruzados in government securities to roll over our internal debt. I believe this can be done, and not with unilateral measures, not with measures imposed from the top; this can be done in the market, without much difficulty, through the confidence and credibility that the future government now enjoys. This should help to extend the time profile of the internal debt by introducing into the market long-term securities that will find buyers or investors. This is true at this time because there is a lack of the minimum, elementary, and indispensable condition that an investor demands: confidence in the economic system and the ruling government. This will not be the case beginning 15 March.

[Marinho] Luis Alberto Marinho from the JORNAL DO COMERCIO. I would like more details on the question asked by my colleague from Radio (Coral) regarding the elimination of some fiscal incentives and subsidies. I would like to know if your government program foresees an end to the Northeast Investments Fund, Finor, and the end of the system for equalizing sugar cane prices in the northeast. Also, what changes would your government introduce to the Sudene [Superintendency for Development of the Northeast]?

[Collor] I must answer the first two questions negatively, because we understand our reality and realize that Finor and the sugar cane price equalization system are financing mechanisms that are indispensable to the economic and social development of the northeast region. They are operating well; we have to do some fixing and improving to make them more efficient. They will basically continue to work as they are now.

As for Sudene, I have made a public commitment to make it into an instrument of economic development for the northeast. When late President Juscelino Kubitschek created Sudene, it was at the ministerial level. The head of Sudene was in direct contact with the nation's president, and this speeded up all decisions regarding the northeast. Sudene functioned very well in its first years. It was later relegated to a secondary place; it ceased to be a forum for political debate because the decisions by the state governors who were members of its deliberative council began to be subjected to decisions made by the national technocracy, whose votes in that council had increased over the those of the governors. Sudene began to decline in importance.

Beginning on 15 March, the head of Sudene will conduct business directly with the nation's president. We will remake this agency to make it more effective, more responsive to today's issues, and more suited to the region's demands for development programs. This is my hope and, more than hope, a decision and a commitment that I will fulfill as of my first day in government.

[Passage omitted] [Gomez] Laurentino Gomez of O ESTADO DE SAO PAULO. In the past 2 years Brazil has become something of an international target, not because of its foreign debt but because of the destruction of the environment and the Amazon forests. How will you handle the issue during your trip and what will you do about it during your administration?

[Collor] I made my position very clear during my trip to Europe when I was still a candidate. All of us must make a commitment to the environment. A commitment to the environment is a commitment to life. It is not possible to separate one from the other.

Brazil does not accept—will not accept—being tried on this issue during my government. Brazil will not accept being placed in that position by those who hold the country responsible for all the ecological catastrophes in the world. An article in TIME magazine, for instance, shows that 89 percent of the carbon monoxide that is thrown into the atmosphere is produced by industrialized countries. Brazil is not included on that list. It is this carbon monoxide that is producing the greenhouse effect and the acid rain on Canadian and Scandinavian forests.

I have a very clear position on the environmental issue. I think each country should clean up its own backyard. We will not accept foreign electoral campaigns being based on our ecological situation here.

It is true—and this is directed to our people, because we are the ones who will decide what to do about it—that past governments have not cared enough about preserving our environment. The examples are there for everyone to see. I have seen them. We can see the problem in our Mato Grosso swamps, our Amazon forests, our Atlantic forests, [word indistinct]. We have problems with our rivers, our lakes, our ocean coasts. In some regions we have the climate as evidence. We will implement an environmental policy to address all these problems, to preserve our environment and to recover areas that have been destroyed. We will begin implementation of our ecological policy immediately after we take over on 15 March. We must note, however, that many of the things being said about the issue are not true.

During my recent trip to Europe I handed a proposal to each head of state with whom I met. The proposal is not mine; it was first announced by Professor (Samuel Benshimo). The document proposed an international tax on pollution through a program coordinated by the United Nations. The document proposed to charge each country a certain amount per ton of toxic gas or pollutants it throws into the atmosphere. The implementation of the program would be easy because the necessary equipment has already been tested in some large cities and lakes. The fund that would be created would be administered by the United Nations. The money would be used in countries with serious environmental problems: to preserve the environment in some cases and to recover areas that have been destroyed in others.

The proposal was viewed favorably by countries that do not greatly pollute but frowned upon by countries that create a lot of pollution. The proposal unmasks the rather cynical way in which the issue is handled. In foreign lands the issue of the Amazon region and the clearing of forests by burning, of which we very much disapprove, are reportedly responsible for all kinds of environmental problems. Brazil will be blamed if the North Pole melts before its time, if acid rain falls on Canada, if temperatures rise more than usual, or if tides get higher. We all know this is not true.

Industrialized countries must accept a large part of the responsibility for the environmental changes on the planet. I think the issue should not be used for political purposes. All parties must sit down and honestly discuss the problem without accusing anyone, seeking ways to help each other. Industrialized countries, because they have better technicians and more advanced technologies, are better suited to offer their technologies to less-developed countries. This help should be given without charging any fee because the problem affects the entire world.

Some countries today forbid the use of certain products in their territory but allow their factories to export them to other countries. This practice should also end. We know that pollution, no matter where it begins, affects the entire planet.

We have to discuss the issue in a frank, open way. Brazil will not accept being tried on the issue. Otherwise Brazil will also claim the right to try others. But this will not solve our environmental problems. I am ready to sit down to discuss the problem—without accusations against Brazil—to seek the appropriate approaches to solving the problem. [passage omitted]

[Mendes] Fabio Mendes from VISAO magazine. Mr. President, you are getting ready to hold international contacts that are extremely important for our country. You will have to meet impatient and unbelieving people. You will meet famous chiefs of state, gray-haired men and women who govern nations with stable currencies that are respected worldwide. You will have to admit to these chiefs of state that, in December 1989 alone, Brazil had to print some 86.7 percent of its money and that Brazil has been printing money daily, further devaluating our already weak cruzado [words indistinct]. VISAO magazine wants to know what you will tell these chiefs of state about this uncontrolled printing fever which is responsible for our high inflation rate, and what measures will be taken to control it.

[Collor] This printing fever, the sale of public debt bonds in the market, and the exaggerated increase in taxes, are a result of the following fact: the government budget is unbalanced. It is unbalanced because the government spends more than it collects. When this occurs, the government must find a way to balance income and expenses. The government usually prints more money, sells debt bonds in the financial market, or increases taxes. The latter is the only policy that does not increase inflation. The problem, however, is that Brazilian society cannot bear another tax increase. The policy of increasing taxes cannot be adopted because Brazilian society has reached its maximum tolerance level; also, tax collection in Brazil is very unfair.

Taxes are currently being paid only on salaries and very rarely on capital. The wage earner has no way to escape taxes because they are automatically deducted from salaries and the pay list is controlled. Therefore, there is no way to avoid taxes.

On the other hand, capital seldom pays taxes because there are shrewd ways to avoid them. This is why tax collection in Brazil is unfair.

As taxes cannot be increased, the government seeks to balance its budget by printing money or selling public debt bonds. This is why changes must be made, not in how much money must be printed, not in how many debt bonds must be paid, nor in how much taxes must be increased, but in the amount of money spent by the government. We must reduce our expenses. We must reduce the size of the government and make it more effective. When the size of our administrative body is reduced to fit the amount of money we collect in taxes, we will balance our budget. If we can achieve this balanced budget, we will have taken a giant step toward fighting inflation. The problem of the printing fever and of the sale of public debt bonds will be entirely under control.

[Negreiros] Jose Negreiros from ISTO E SENHOR. As President Tancredo Neves found out on his first international trip, your main problem in the United States will probably be the foreign debt. You have already met with creditors and one of their main demands is that a symbolic payment of $230 million be made before a renegotiation of the foreign debt is resumed. The U.S. Government usually backs that position. If this turns out to be the case, will you make that symbolic payment?

[Collor] As I said earlier in answering the first question, I am not interested in getting into details on this trip. I made this point to Mr Mudford [not further identified] during our meeting yesterday. I intend to explain the main items of our economic proposal—what we intend to do. I will express our commitment to return to the United States, a week after we take over, with a proposal—our proposal—to renegotiate the Brazilian foreign debt.

On this trip I just want to get acquainted with the people with whom I will have to deal in the next 5 years, to talk about our plans at the macroeconomic level, to demonstrate and convey to the world my intention to promote the necessary conditions for this country to resume its growth, to resolve its internal problems from the economic and social standpoints, and to voice our plans to integrate ourselves, in a gradual but continuous manner, into the world economy, the first-world economy. Naturally I would like to talk about other technical and

economic issues as well. This is the outline of the conversations I will hold, not only in the United States but in all the countries I will visit. [passage omitted]

[Soto Mayor] Walter Soto Mayor from NOTIMEX. Mr President, you will meet with the U.S. President on 26 January. Relations with the United States have been marked by a number of problems, among them drug trafficking, the foreign debt, and a negative image, justly or unjustly, in the U.S. press. I would like to know what ideas you will take to President Bush to improve these relations, which are the most important for Brazil. Second, I would like to know what ideas you will offer to improve relations with the Soviet Union when you talk with President Gorbachev.

[Collor] Our diplomatic relations with both countries are very good. I would say that they are at a very good level. Perhaps because of our trade conflicts with the United States, our relations could be improved. They will improve. Our wish is to maintain a system of permanent consultation, to establish channels of communications with all friendly countries, including, of course, the United States. We have historic, economic, trade, financial, and political ties with the United States. We wish to reactivate these contacts, to make them more frequent and coherent. We think our relations with the United States can be greatly improved.

Relations can indeed be improved provided we can resolve some basic issues in our commercial relations and in the process of renegotiating the foreign debt. These goals will be promoted in a climate of absolute fairness and in defense of our national interests and economic growth.

As for Moscow, I think President Gorbachev is creating an opening to the West. I think that attempt is bringing us closer. My visit to the Soviet Union proves that Gorbachev is interested in maintaining a good understanding with the Brazilian Government through greater technical cooperation, particularly the exchange of information and mutual experiences. This is why I am very enthusiastic about the institutional changes in the Soviet Union. I regret that lives have been lost in this liberation process, but the fact that Gorbachev will receive us shows how important Brazil is today for the Soviet Union.

Agenda for Collor's 9-Country Tour Detailed

PY2401145190 Brasilia Radio Nacional da Amazonia Network in Portuguese 0900 GMT 24 Jan 90

[Report by Jorge Vanburg from Brasilia]

[Excerpt] [passage omitted] The president-elect will arrive in New York at 0630, 0930 Brasilia time, on 25 January. Among several other meetings on his agenda, Collor will meet UN Secretary General Javier Perez de Cuellar. He will leave for Washington that evening, where he will be received by President George Bush on 26 January. In Washington, Collor will also meet Secretary of State James Baker and Vice President Dan Quayle, and will have dinner with Inter-American Development Bank Chairman Enrique Iglesias and IMF Managing Director Michel Camdessus.

On the morning of 27 January, Collor will leave for Tokyo, where he will visit Prime Minister Toshiki Kaifu and Emperor Akihito, and meet with Japanese bankers.

On 31 January, he will be in Moscow, where he will meet with Mikhail Gorbachev.

On 1 February, he will travel to West Germany and meet with Chancellor Helmut Kohl in Bonn. In Berlin, Collor will visit the historic Brandenburg Gate.

He will arrive in Rome the evening of 1 February, where he will be received by Italian President Francesco Cossiga and Prime Minister Giulio Andreotti. Collor will also meet with Italian businessmen and bankers.

In Paris, Collor will meet with President Francois Mitterrand and Prime Minister Michel Rocard.

In London, he will meet with Prime Minister Margaret Thatcher.

In Lisbon, he will visit President Mario Soares, Prime Minister Cavaco Silva, the National Assembly, and the Lisbon Municipal Council, and will attend a banquet hosted by Mario Soares.

The last stop on the trip will be Madrid, where President-elect Collor de Mello will meet with Prime Minister Felipe Gonzalez and will attend a luncheon hosted by King Juan Carlos at the Del Oriente Palace.

Collor de Mello will return to Brazil on 12 February.

Chief of Collor's Military Household Appointed

PY2501011590 Rio de Janeiro Rede Globo Television in Portuguese 2200 GMT 24 Jan 90

[Text] Brigadier General Agenor Francisco Homem de Carvalho, commander of the 14th Armored Infantry Brigade, has been appointed Collor de Mello's chief of the president's Military Household. De Carvalho is 56 years old and was born in Sao Paulo. Under Collor de Mello's administration, the chief of the Military Household will no longer be a ministerial-level position but will serve as a presidential adviser.

Chile

Peruvian Vice President Visits President-Elect

PY2401133190 Santiago Domestic Service in Spanish 0900 GMT 24 Jan 90

[Text] Luis Alberto Sanchez has asked President-elect Patricio Aylwin about the possibility of Chile returning to the Andean Pact, from which it resigned in December 1976 to pursue its own economic policy.

Vice President Sanchez met for 20 minutes with Patricio Aylwin. He was accompanied by Peruvian Ambassador Luis Marchand. When the meeting was over, Sanchez said the conversation revolved around the current situation in both nations and in Latin America. He added that he wished Aylwin the best for his presidential tenure and urged him to cooperate in Latin America's integration.

When asked about areas where the relationship between the two countries can be emphasized in the future, Sanchez replied:

[Begin Sanchez recording] The first thing to be desired is that no future or past difficulty interfere. We have broad commercial areas where we can trade, and above all, areas where we can work for Latin American integration. I believe that one of our strongest wishes is for Chile to again become a member of the Andean Pact. We believe that Chile, an Andean country, has a natural place in an Andean Pact. [end recording]

The Peruvian vice president indicated that Aylwin, with his electoral victory and his conduct of the country's democratic transition, is gaining the aura of a continental figure.

Defense Minister Concerned Over Approval of Law

PY2401211290 Santiago Television Nacional de Chile Netwoprk in Spanish 1700 GMT 24 Jan 90

[Text] Defense Minister-elect Patricio Rojas has expressed concern over a law that authorizes the Armed Forces to sell their assets.

Rojas today met with president-elect Patricio Aylwin. He later said that they discussed issues related to the Defense Ministry and the approval of the draft bill that authorizes the Armed Forces to sell their assets. Rojas said that this is a very inappropriate decision because it prevents the National Patrimony Ministry from managing the nations assets.

Rojas said that the designation of the heads for the War, Navy, Air Force, Carabineros, and Investigation undersecretariats is still pending because, according to the new law, these posts must be held by high-ranking officers or acting generals. He added that the upcoming administration will issue a decree to modify this law so civilians can assume these posts.

National Television Director Jorge Navarrete also met with Aylwin today. Navarrete said he will assume his post after 11 March, adding that although he wants to contact the current national television executive board members now, he cannot do so before the decree is signed.

Aylwin also met with lawyer Alejandro Hales and Energy Commission Vice President Jaime Toha.

Leftist Leader on Option of 'Armed Struggle'

PY2401130190 Santiago Domestic Service in Spanish 0930 GMT 24 Jan 90

[Text] MIR [Movement of the Revolutionary Left] did not rule out the possibility that in the future it may resume armed struggle if the circumstances so require. It noted, however, that at this time it is pursuing a political line considered to be a valid alternative. This declaration was made by Paulo Varas, a member of the MIR Central Committee.

[Begin Varas recording] One takes up the armed struggle when one is compelled to do so. However, this does not mean that at this time we are ruling out that possibility. Should we have in the future a situation resembling the one we had after 11 September 1973, we will resume the same stance we took then, with no problem. [end recording]

Colombia

Barco: Drug Fight Does Not Justify Violations

PA2501041090 Madrid EFE in Spanish 0310 GMT 25 Jan 90

[Text] Bogota, 24 Jan (EFE)—Colombian President Virgilio Barco today said that the struggle against drug trafficking cannot "serve as an argument to justify violations of international law or the people's sovereignty."

Barco made this remark during a ceremony in which he received the New Year's greeting from the members of the diplomatic corps accredited in Colombia.

The president stressed that "Colombia must wish the Panamanian people a full reconstruction of their institutions within a democratic autonomy."

Barco recalled that, "in the case of Panama, and within the OAS context, the member states made efforts to achieve a formula of reconciliation and agreement in that country."

He added that "to this end, Colombia gathered the consensus of the states to provide guidance to the delegation of foreign ministers who visited the isthmus, promoting an agreement that would permit the return of democracy and the restoration of basic human rights."

Barco was thus referring to an OAS commission that tried to find a concerted agreement to the Panamanian situation last year but failed in its attempt.

"These mediating efforts, unfortunately, did not achieve their goal," the Colombian president conceded.

Foreign Minister Londono on Panama, Bush Visit

PA2401142090 Bogota Radio Cadena Nacional in Spanish 1234 GMT 24 Jan 90

[Telephone interview with Foreign Minister Julio Londono by unidentified reporters—live]

[Text] [Reporter] Good morning, Mr. Foreign Minister.

[Londono] Good morning, Juan. How are you?

[Report] Fine, Mr. Foreign Minister. Yesterday we learned about the statements Panamanian President Guillermo Endara made during his official visit to Costa Rica. First, is Colombia planning to propose to the Panamanian Government or abroad that there be a plebiscite in Panama?

[Londono] The Colombian Government has not, is not, and will not propose to the Panamanian Government any kind of plebiscite, referendum, or elections in that country. The Colombian Government has never contemplated an initiative of that sort.

[Reporter] Mr. Minister, what is your opinion of President Endara's statements? Among other things, he said that Colombia has no moral authority to propose plebiscites in Panama.

[Londono] I reaffirm our position, which I expressed in my answer to your previous question. Since 20 December Panamanian President Endara has constantly referred to several Latin American countries—I believe to all Latin American presidents—in various ways and using various qualifiers.

We have very extensive reports on the statements of the Panamanian chief of state which I will not refer to or comment on at this time. We should not debate or respond to Mr. Endara's statements.

[Reporter] Does the Colombian Government believe, do you as foreign minister believe, that those statements on Colombia and other Latin American governments on the part of President Endara are offensive [desobligante]?

[Londono] I can only point out that the Panamanian state has not only referred to the Latin American countries, but also to the OAS with various qualifiers. I prefer not to comment on them; I would rather not comment on the many statements made by the Panamanian president.

[Reporter] However, Mr. Minister, this involves a neighboring country, and a country whose domestic policy affects Colombia's policy and situation. What will happen in the next few days?

[Londono] The Colombian Government wants a normalization of the Panamanian situation. We vehemently want the Panamanian Government to be able to finally control the country's situation and exercise full control in all areas of national life. I believe that this is also the hope and wish of most Latin American nations.

Under the current circumstances, it is understandable that the government has not yet been able to fully assume its administrative duties, police control, and so on within its own territory. Like other Latin American countries, we are simply following developments and waiting for a normalization of the situation in Panama.

[Reporter] Mr. Foreign Minister, what would the Panamanian Government have to do before Colombia sends back its ambassador?

[Londono] As I just said, we are waiting for a normalization of the Panamanian situation. We hope that the absolute normalization of the situation in the political, economic, and administrative areas will be achieved as soon as possible. As you know, the Colombian Government—like most Latin American and European countries—practices the Estrada Doctrine. It states that governments maintain relations with states independently of what government might be holding power at a given time. That has been our policy.

At this moment, we have an embassy and a charge d'affaires is in charge of our mission. The only difference is that the ambassador is not there. As far as we know, no Latin American ambassador is in Panama. Most countries—and many European countries—simply have charges d'affaires in charge of their missions at this time.

[Reporter] Must U.S. troops leave Panama before Colombian Ambassador General Hernandez Lopez returns to Panama?

[Londono] I must point out that we believe as long as there are foreign troops occupying the territory of a country, it is very unlikely that such a country would have total control over the situation. There is an evident presence and action by foreign forces in the streets and everywhere in the country. Therefore, we believe that once the Panamanian Government has administrative, political, and police control, the foreign troops will of course withdraw to their place of origin.

[Reporter] But reality indicates that this will not happen soon and that in view of Panama's very difficult situation it should not lose U.S. military support. In addition, a very credible poll, which gauged politicial views, indicated that the Panamanians do not view the U.S. action as an invasion but as a liberation movement. Might this change the position of the Latin American countries that have reservations about the U.S. presence in Panama?

[Londono] Well, regardless of the reasons and purposes of the U.S. intervention in Panama, Colombia and the majority of the Latin American countries can in no way share those feelings. We do not believe any state can attribute to itself the right to intervene in the domestic affairs of other states for any reason, justification, or purpose. As you have said, Panama is a neighboring country with a large number of Colombians and with which there are diverse links. Therefore, our interest and hope is that the country will rapidly be stabilized and

return to normal so it can continue relations not only with Colombia but with most of the Latin American and Caribbean countries.

[Reporter] There is much concern in the United States about President George Bush's trip to Cartagena. In New York, our correspondent Jaime Flores has a question for you.

[Flores] The U.S. CBS network and some newspapers continue to insist that President Bush should not travel to Colombia [5-second break in reception] Can the Colombian Government guarantee the President's security during his visit to Colombia?

[Londono] Concerning this, I can state that the Colombian Government, at least the Foreign Ministry, does not have any information about alleged plans of sabotage or terrorism at the summit that will be held in Cartagena. I think U.S. authorities have said through various spokesmen that Cartagena fulfills all the essential requirements to guarantee the security of the chiefs of state who will be in Cartagena. Advance teams from the countries that will attend the meeting have already gone to Cartagena, and none of those officials has made any type of observation in this regard.

[Reporter] Are you planning a trip to Honduras?

[Londono] Yes, I am leaving tomorrow at the head of the Colombian delegation to the Honduran presidential inauguration.

[Reporter] The date of the Cartagena summit draws near, and there is much expectation about whether Colombia will insist that President Garcia come to the meeting.

[Londono] I think that through an official communique President Garcia made known his government's position in this regard. I subsequently heard some remarks by the Peruvian foreign minister, who said that the Peruvian president's decision was not irrevocable and that the possibility he would attend the Cartagena summit was still open. The Colombian Government hopes that he will attend. So far, we do not have any definite confirmation of the Peruvian president's participation in the Cartagena summit.

[Reporter] Thank you, Mr. Foreign Minister. We imagine you are going to Narino House, where the diplomatic corps will be presenting its annual greeting to the Colombian president.

Vice Admiral on Bush Visit Security Measures

PA2401152490 Bogota Inravision Television Cadena 2 in Spanish 0035 GMT 24 Jan 90

[Text] Vice Admiral Gustavo Angel Mejia, commander of the Atlantic Naval Force, stated today that Colombian security organizations are taking all possible measures to guarantee President Bush's personal safety. He added that there is total cooperation with the intelligence organizations of our country.

Military and security agents will act jointly during the antidrug summit in February which U.S. President George Bush plans to attend. Contact has been established with U.S. security advisers.

[Begin Mejia recording] A U.S. Government delegation has arrived to visit the city and view the existing security conditions. [end recording]

The security measures will be strict and similar to those applied during the OAS and Andean Pact meetings. There will be helicopter gunships, speedboats patrolling the bay, and a rapid deployment police force.

It is anticipated that officers of the Navy, Marines, and National Police will work together with the security personnel of the Bolivian, Peruvian, Colombian, and U.S. presidents.

Head of Cali Cartel Reportedly To Surrender

PA2401205690 Paris AFP in Spanish 1935 GMT 24 Jan 90

[Text] Bogota, 24 Jan (AFP)—Gilberto Rodriguez Orejuela, who is known as the head of the Cali Cartel, announced in a letter published today by Bogota newspaper EL TIEMPO, that he is willing to submit to extradition.

"I will use the legal means within my reach to prevent the consummation of an action which may very well be prompted by injustice or vengeance," he warned in the message addressed to journalist Hernando Santos, the newspaper's director.

Rodriguez Orejuela's letter was an effort to explain the statements published by a reporter in an article according to which the Cali businessman had received an arrest warrant with a view to extradition.

"The extradition request announced was based upon accusations for which I was already tried, and upon other accusations for which I hope to be able to prove my innocence," said the alleged mafia chief, whose whereabouts are unknown.

Rodriguez Orejuela rejected the alias "the chess player," as he was called in the EL TIEMPO article, saying that "an insulting nickname was invented and used against an individual who is being judged."

Rodriguez Orejuela, who in the mid-eighties was released by a Colombian judge who tried him in Cali for alleged drug trafficking, said he cannot be tried twice on the same charges.

Supreme Court Rules Asset Seizure Constitutional

PA2401155990 Bogota Radio Cadena Nacional in Spanish 1200 GMT 24 Jan 90

[Text] Bogota—Yesterday, the Supreme Court of Justice declared constitutional a state of siege decree issued by the national government authorizing judges of the Republic to order the seizure of goods and property after a judicial proceeding.

The constitutionality ruling handed down by the top court of justice authorizes the implementation of Decree 23-90 of 1989, which allows judges to order the seizure of goods and property should they rule that they were illegally obtained.

The Supreme Court's ruling also authorizes the National Drug Council to order the same kind of seizures, but any seizures by the council will be only temporary pending the final ruling of the court assigned to the judicial proceeding.

The Supreme Court of Justice had previously ruled Decree 18-56 of 1989 to be unconstitutional because of its irregular content. This decree did not call for a seizure of goods and property, but rather their confiscation, and this is not allowed within our legal framework.

* Gacha's Death Raises Issue of Landownership

90WD0123Y Bogota SEMANA in Spanish 19 Dec 89 pp 22-28

[Special Report: "At Last!"]

[Text] It was 2:05 in the afternoon last Friday when the telephone rang in the president's office. Virgilio Barco answered, and on the other end General Carlos Casadiego, the assistant director of police, told him: "Mr President, mission accomplished." Barco did not entirely understand. "We've taken out Gonzalo Rodriguez Gacha," the general explained. Incredulous, the chief executive asked: "Are you completely sure?" "Completely, Mr President." "Congratulations," was the parting remark.

With this terse exchange of words Barco received the best news that has come from his administration so far. An administration that had staked all of its prestige on the battle against drug trafficking was about to fade out with much ado but no capo.

But all that changed on Friday afternoon, when the death of one of the country's most wanted men was confirmed. And not just in Colombia, inasmuch as almost every newscast in the world opened that night with coverage of this development. In a matter of hours Barco received calls from Presidents George Bush, Carlos Andres Perez, Carlos Menem, Carlos Salinas de Gortari, and even from British Foreign Minister Sir Geoffrey Howe. The U.S. drug czar, William Bennett, asserted at a news conference in Washington that "the entire civilized world owes President Barco a debt of gratitude."

The Operation

The civilized world's "salvation" had begun at noon on Wednesday when during a military-promotion ceremony at the Cadets School, Gen Miguel Maza, the director of the DAS [Administrative Department of Security], and Gen Octavio Vargas, the commander of the police's elite corps, had their cordial poolside conversation interrupted by an urgent phone call from Medellin. It was a DAS informant in the Antioquia capital who had a friend in Cartagena who knew where Rodriguez Gacha was and wanted the 250-million reward that the government was offering.

Minutes later the two generals took a helicopter to police headquarters, where the decision was made to send a trusted associate of Maza's to Cartagena to meet with the informant. They met in the Nautilus Restaurant on Wednesday evening. The informant revealed there that Rodriguez Gacha, his son Freddy Gonzalo, and some of their bodyguards were in Cartagena. Once the information had been relayed, a decision was made to transfer 30 men from the elite brigade to the air command in Barranquilla and to quarter them there. At the same time orders were given to keep two police helicopters ready to take off from Santa Marta airport.

The following day Gen Miguel Gomez Padilla, the commander of the police, learned of the news and began working on the operation with his colleagues Maza and Vargas. A tracking operation was quickly set in motion in Cartagena, but it did not turn out to be all that discreet. Rodriguez Gacha realized that they were hot on his trail and on Thursday night boarded a high-speed motorboat with his son and five of their bodyguards and made for the El Tesoro estate between Covenas and Tolu. The authorities lost his trail at that point. Nevertheless, thanks to the informant an air search of the zone was undertaken to locate the motorboat, which had clearly identifiable features. It was detected early the next morning but was occupied only by its pilot.

The helicopter approached the boat and got it to stop. The pilot admitted that he had left Rodriguez Gacha at the El Tesoro estate and was on his way to a nearby island to pick up a group of paramilitary personnel to bolster the drug trafficker's security force.

This information was used to design an operation to surround the estate. The elite corps' mission was to fly in in two gunships, while the Marines would cover a potential escape by sea.

The two helicopters arrived at El Tesoro at mid-morning on Friday. Over loudspeakers and bullhorns they asked Rodriguez Gacha to surrender, but no response was forthcoming. There was no movement in the house, and the only object to be seen was a red Chevrolet camper-truck. The thinking at one point was that the information provided by the man in the motorboat was false. Consequently, one of the helicopters flew back to Tolu and the other to Covenas. Then, the one that was on its way to Tolu made another pass over the estate, and its

occupants noticed that the red truck was gone. It reported this to the second helicopter, and the search for the vehicle was on. The truck was intercepted less than 2 km from Tolu and it turned off on the road to Sincelejo.

A bit further on the vehicle stopped, and Freddy Gonzalo Rodriguez and four bodyguards got out and opened fire at the helicopter. It responded with its machine-guns, killing two bodyguards. One of the helicopters flew down and dropped off several members of the elite force, who shot it out with and killed the two surviving bodyguards and "El Mexicano's" son.

In the meantime, the truck continued its escape, followed by the other helicopter. A Marine patrol just happened to be along this road, guarding one of the estates of Eduardo Martinez Romero, who had been extradited. When Rodriguez Gacha and his bodyguard saw them, they stopped the truck, got out, and disappeared into a banana field. The helicopter then began firing in an effort to detect the fugitives. Rodriguez Gacha, who was armed with an R-15 rifle and five grenades, answered the fire after a while, which made it easy to locate him. The gunner on the helicopter began firing at the banana tree under which "El Mexicano" was hiding, eventually hitting him in the foot. He fell, and at that instant a 7.62-caliber round struck his head. So direct was the hit that it left him practically unrecognizable. Fingerprints had to be used to establish his identity with certainty.

The epilogue was the death of the last of Rodriguez Gacha's men a few minutes later. It was 1:45 in the afternoon on Friday 15 December. The search for one of the most dangerous criminals in Colombia's history was over.

What Next?

The big question now is what is going to happen now that Rodriguez Gacha is dead. He and Escobar are probably the only two men in history to have declared war, as individuals, on a State. Thus, the government's offensive has focused on a single objective: defeating them. All of the country's efforts were in that direction. The battle was not really against drug trafficking. It was against narcoterrorism. And as far as the authorities are concerned, those two alone represent narcoterrorism. The Ochoas, the Rodriguez Orejuelas, and the rest are considered to be in a different league. This explains why no reward has been offered for them and why they have not been pursued like the two chiefs.

Now that Rodriguez Gacha has been taken out, the war is half won. No one really knows what this means because, when all is said and done, "El Mexicano" was number two. According to all accounts, he was the most violent. But Pablo Escobar is the brains. Another worry, therefore, is: What is going to happen now that Escobar is alone? He is regarded as much colder and more calculating than Rodriguez Gacha, but no less dangerous. It is not yet known whether his capacity for terrorism will double because he is now alone or whether, on the contrary, it will be halved because he has lost his main ally. One fact, however, is that the armed wing of the Medellin Cartel is now without a head, because "El Mexicano" was its minister of war. He was responsible for carrying out the acts of terrorism, and his disappearance from the scene has major implications for the group's operating capacity.

Escobar has a reputation for regarding himself as a great strategist and for being a pragmatist. Thus, he would presumably realize that his war is lost. The dual blow of the collapse of the referendum on extradition and the loss of his partner have in a flash scuttled hopes that he may have had just a week ago. When Congress was on the verge of approving a referendum, Escobar's prospects included doing away with extradition, forcing a dialogue, and even trying to negotiate a pardon. All of these possibilities were based on the myth of the narcoterrorists' invulnerability. Rodriguez Gacha's death has changed this perception. If the general feeling a few weeks ago was that the war was being lost, the feeling now is that it is going to be won, although no one knows at what cost. Nowadays few feel that the government has to make the sort of concessions that were regarded as discussible 8 days ago.

In light of this new panorama Escobar has just two choices: continue the war, knowing that he cannot win and that he will probably wind up like Rodriguez Gacha, or lower his profile, remain in the underground, and wait for things to cool down a bit. After all, people like Tirofijo, Father Perez, and Carlos Pizarro have managed to survive for years without getting arrested by staying in the jungle with 100 or 200 persons. If Escobar has this in mind, the current situation may be of help to him, because when one of the big boys dies, as happened in the case of Lehder, public opinion in Colombia and the world is temporarily reassured.

But no matter what Escobar does, many things will change in Colombia as a result of the death of the cartel's number two man. To begin with, the zones that he controlled will be "liberated." Regions like Pacho, the emerald-mining area, much of the Magdalena Medio, and part of the Eastern Plains around Puerto Lopez had seen the unfettered exercise of politics disappear, inasmuch as whoever opposed Rodriguez Gacha paid for it with his life. On Friday night there were celebrations galore, with fireworks, in all those places, perhaps except Pacho, and many an aspiring city councilman who was not planning to run is reconsidering his decision.

This is just the political scene, because what happened will have no less of an impact on the economy. "EL Mexicano" was the biggest landowner in Colombia, so much so that during the raids 3 months ago the authorities were thoroughly surprised at how much more land than the rest of the Medellin Cartel he owned. What were previously considered his areas of influence actually turned out to be largely his own land, almost all of it in the names of front men. His death is going to bring a miniature agrarian reform, because everyone who owned

a piece of land on his behalf is going to keep it. When "El Mexicano" was alive, verbal contracts were sacrosanct. Now that he is dead, deeds are what count.

The administration's situation has also changed substantially. After what was unquestionably the worst 2 weeks in its 4-year term, with the bombing of the Avianca flight, the bombing of the DAS, and the political crisis that followed the collapse of the constitutional reform, the death of Rodriguez Gacha gives it renewed breathing room. With the rebellion in Congress and the resignations of Turbay and Pastrana, many lawmakers even went so far as to call for the resignation of the president himself. Today Barco is again the international hero that he was 3 months ago, and Colombia feels that it has the sort of government it was clamoring for a week ago.

The immediate laurels from the operation have gone to Gen Maza, the commander of the police, Miguel Antonio Gomez Padilla, and the chief of the elite group, Octavio Vargas Silva, who are risking their very lives in this war. Behind all of this, however, what the president's admirers call his perseverance and his detractors, his stubbornness, unquestionably played a major role. As for Colombia, in spite of the nervousness that is still felt because of possible reprisals, it is at least hopeful, if not yet merry, as Christmas approaches.

[Box, pp 26-27] The Law of the Jungle

Very few individuals in history have killed more than 1,000 persons. Jose Gonzalo Rodriguez Gacha is one of them. With almost 800 members of UP [Patriotic Union] murdered and after the last two terrorist bombings, he is approaching this figure. The rest are accounted for by assassinations, the slayings of judges, emerald dealers, and newsmen, and the multiple massacres that he ordered.

The fact that Colombians are so familiar with him obscures in a way the place that he will have in the history of world crime. One need only recall that Al Capone, the king of Chicago during the 13 years of prohibition, was said to have had 200 people killed, and as a result his legend lives on half a century after his death.

"El Mexicano" was born in Pacho, Cundinamarca on 18 May 1947, the son of a humble peasant family. At the end of his third year of junior college he had to leave school to earn a living in the most devious and violent walks of life. In the early 1970's he became an assistant to Gilberto Molina, the strong man in that emerald-mining zone of Boyaca (Otanche, Borbur, Quipama). A few years later Rodriguez Gacha went off on his own to devote himself to a much more lucrative business: drug trafficking.

As he made headway in this activity, he amassed a fortune that is now estimated at more than $1 billion. It was not long before he met Pablo Escobar and the Ochoa brothers, with whom he became chiefs of the Medellin Cartel. "El Mexicano" became the group's military chief and, backed by his fortune, set up the country's largest paramilitary organization, with close to 1,000 trained and heavily armed men, who were initially for his personal protection. Before too long, though, this entire army wound up serving an anticommunist ideological crusade, which was directed in particular against the FARC [Revolutionary Armed Forces of Colombia] and UP activists.

Ideological motives aside, the battle against the FARC was fueled by various episodes in which Rodriguez Gacha encountered obstacles to his business in Meta and Guaviare. The guerrillas at times collected taxes on the drugs from his laboratories and other times destroyed them or stole money from his agents. Since it was difficult to take revenge on the chiefs of the insurgent group, he leveled his guns at the UP's political party, whose presidential candidate, Jaime Pardo Leal, was his biggest victim.

In the meantime, "El Mexicano" was at odds with the Cali Cartel, on which he declared a war to the death, as well as with the national government, and the DEA [Drug Enforcement Administration]. Among his remaining allies were his old friends the emerald dealers. Relations with them changed quite soon, however, when in keeping with his ambitious strategy he sought a way to take over the Boyaca emerald region and thus connect his lands in the Magdalena Medio with the ones that he owned in Pacho. A new battlefront thus opened, on which the drug traffickers not only struck first but very hard and on several occasions as well. To begin with, in February of this year he killed Molina and 14 other people during a party in Sasaima, Cundinamarca. He then did away with Veronica Rivera, the "cocaine queen," bombed and destroyed the Tecminas offices in Bogota (owned by Carranza), killed a nephew of Carranza's, and ordered a raid on the Altos del Portal building (also in Bogota) to get rid of Angel Gaitan Mahecha, who was involved in the emerald business and worked as a DEA informant providing leads on "El Mexicano."

It was total, open warfare. The fact is that Rodriguez Gacha picked a lot of fights and, by the time he died, had all too many enemies. The government, the Cali Cartel, the FARC, the UP, the DEA, and the emerald dealers were too many fronts for just one man. If Hitler lost the war by fighting on just two fronts, it was indeed hard going for "El Mexicano" with his six, even though until recently he seemed to be winning. Rodriguez Gacha died true to himself, with a rifle in his hands, fighting, and living out the catchword that he proclaimed so often: better a tomb in Colombia than a cell in the United States.

* Gacha's Philosophy Revealed in Interview

90WD0123Z Bogota SEMANA in Spanish
19 Dec 89 pp 29-31

[Reprint of excerpts from interview with Gonzalo Rodriguez Gacha by INTERVIU magazine, date and place not given; first paragraph is introduction]

[Text] Eight days after the assassination of Luis Carlos Galan, Rodriguez Gacha telephoned a Colombian journalist in what was to be his first and last interview with the press. It was published in the magazine INTERVIU in Spain but never in Colombia. Regarding it as topical, we are reprinting its most important excerpts.

[INTERVIU] The country is in great shock; the country is very sad about the violence. The death of Galan, for example. What's happening in the country is very serious. And...because no one knows how to put an end to all this. I don't know what you people are thinking, I don't know how far you want to go. And I don't know whether you'll admit that it was you people who did all these things, like even the murder of Galan. What do you have in mind? What do you want to do with this country?

[Gacha] Look, what's happening is one thing. Look, what we're doing is just defending ourselves. We're just....We knew that the Colombian Government and the U.S. Government were going to cooperate. You know that the DEA [Drug Enforcement Administration] informs on us. They had an agreement to kidnap us and then take us to the United States to serve time. We've fought hard to...so that they'll leave us in peace. They've talked with everyone here except us. I'll tell you something. It's very simple. We don't have anything to lose anymore in this country. What we had they took away. It's very simple. If we don't have anything, then nobody's got a right to have anything. So we'll see where we wind up.

[INTERVIU] But what do you think Galan had to do with all this? Galan was a guy who wasn't talking about these issues anymore, who had quieted down on these stories about the mafia....

[Gacha] Let's leave that matter aside. Let's talk about something else.

[INTERVIU] I agree that when you guys spoke with Dr Alfonso Lopez, with Dr Carlos Jimenez Gomez, a great opportunity was wasted in this country.

[Gacha] That's obvious. Look here. What we've fought for is to get someone to listen to us. We're people with home lives, family people. What we're after is to....Do you think that we could have made the fortunes we did if we weren't thinking about the country?

[INTERVIU] But Gonzalo, what's to be done now?

[Gacha] Yeah, well, nothing can be done now. They didn't take away what makes money for us, in other words, the estates. You know that we have a large percentage of Colombians working for us. You know what an estate makes for you. It makes nothing, but we have them as investments and to give people jobs. And you know that we've got very nice-looking, very well organized estates. But they haven't taken the cocaine business away from us, nor have they taken away our dollars, because they're what....To do that they'd have to....We don't have the money in the United States. That's the thing; you know that's the problem....They can blackball us and go on the offensive against us for 1 or 2 years, but big deal, we can do something really nasty to them any time we want.

[INTERVIU] Don't you think that you've lost the war, Gonzalo?

[Gacha] Come on! How are we going to lose it? They haven't realized that drug trafficking in Colombia is powerful, very powerful. You're a man in the know, a newsman who talks with everybody, and you know that 70 percent of the Colombian people benefit directly or indirectly from drug trafficking, even if they don't work for it.

[INTERVIU] That's all well and good, Gonzalo, but what do you people plan to do?

[Gacha] Well, we're going to fight to the death. What else are we going to do? They've already taken everything away from us; they've already hit us....Tell me what you would do if they declared war on you. Tell me, what would you do?

[INTERVIU] Well, yes, I know what you're saying. But we've gotten to a very serious point here. What if the Americans get involved in this country? Where are we headed?

[Gacha] It's very simple. We have...we have...I, for example, would rather spend what I've got and then some to defend myself. But I'm not going to let myself get killed either, because you die when your number's up.

[INTERVIU] But isn't there any way to stop it?

[Gacha] Come on! Stopping means talking, man. We're knocking ourselves out trying to get them to listen us, to talk with us.

[INTERVIU] Would you let the Colombian justice system decide your fate, for example, Gonzalo?

[Gacha] Hey pal, how can you ask us to turn ourselves in so that they'll chain us up, throw us in the clink, and then ship us north? They'll extradite us to the United States.

[INTERVIU] No, no, I mean in the event that the extradition treaty is repealed.

[Gacha] But who's going to be that trusting, pal? They've walked all over us with the judges. Nowadays they'll offer a judge a job as consul or ambassador to get him to convict you. I just want you to realize what the situation is, pal.

[INTERVIU] But what do you stand to gain from all this? You're losing your estates, your homes, your money, your companies, and your banks. So then what's left? Nothing.

[Gacha] Hey pal, they've already ripped off everything, they've already taken everything from us.

[INTERVIU] Well, no. You have a lot of money left.

[Gacha] Yeah, we do have a lot. I'll tell you something. We've got a lot, and what they've taken from us is what earns us nothing. Estates, Land Rovers. You know that our business is cocaine. And they haven't taken the cocaine.

[INTERVIU] A lot of people were betting that you were out of the country.

[Gacha] How am I going to leave a nation where I'm so loved and where people are with me?

[INTERVIU] But, Gonzalo, there are a lot of people who are saying: Now they've really got people angry, and they're going to get blackballed.

[Gacha] Hey man, that's to be expected. A lot of people have suffered because of this thing, families and everything, property and all that. But I'll tell you something. They're going to suffer too. Everybody's going to suffer here. Watch out for the economic recession that's on the way, especially when all those people who live off the estates leave, and don't have jobs.

[INTERVIU] Did they leave you without an estate?

[Gacha] No, they left me without anything. What they haven't taken away are the dollars.

[INTERVIU] And are you selling cocaine?

[Gacha] How's that? What?

[INTERVIU] Are you selling cocaine overseas? That business hasn't stopped, has it?

[Gacha] Oh no. You know that, thank God, there's no better market than the Gringos. And they get mad at us.

[INTERVIU] And what about the Army?

[Gacha] I don't think the Army is, because the Army is the people; the police is the people. And they know that what we're giving them is a little money. The State gives them one or two medals, but we give them money.

[INTERVIU] Listen, Gonzalo, are you people soon going to wind up allies with the guerrillas, the FARC [Revolutionary Armed Forces of Colombia], and the ELN [Army of National Liberation], all together against the State?

[Gacha] Hey, I'll tell you something. That would be the most sensible thing, but our principles won't allow us to.

[INTERVIU] You're that anticommunist?

[Gacha] Yes, we're very anticommunist. But that would be the ideal thing. If the commander of the FARC, or someone else, were trustworthy and serious, I just might do it. But the fact is that our principles won't allow it.

[INTERVIU] Well, Gonzalo, there has to be some way out of this.

[Gacha] We can't talk about that now. We've got to wait. We've got to wait, pal, because just look at the offensive the government is on. When the government's offensive is over, we'll see who's left of us, because I can't say whether I'll still be around after this offensive.

[INTERVIU] Aren't you afraid that after all that hard work, all that economic power, you'll wind up dead some place? And then what good was all that money?

[Gacha] It's very simple. We're in a battle. If you like, just read Simon Bolivar's book. How did he have it? He had it real tough. Everybody who's been successful in life has had it real tough. I'll tell you something. You know that if the five richest families in the country had this money, it wouldn't be looked down on. But since a peasant owns it, a boy who's not from a good family because he's from a humble family, then it's got to be ill-gotten money, dirty money.

[INTERVIU] All right. And what do you think, deep down, of everything that's happened to you? You've appeared on the cover pages of American magazines and others around the world. Don't you feel that life has played a dirty trick on you?

[Gacha] No, I feel very fulfilled, because I've achieved what I've wanted. And I've fought for a people, even if nobody believes that, because there are a lot of people around me. And my people are proud of me, and I'm proud of my people. We work for a cause, we fight for a cause, and we all defend each other, we all help each other, and we're all going to see whether we come out OK. This is a very touchy situation, but the war is on.

[INTERVIU] Tell me, are Pablo and the Ochoas and all the others behind you?

[Gacha] Of course.

[INTERVIU] Are they supporting you? Are you, the Ochoas and everybody else united?

[Gacha] We're all together. We're united. The only ones who aren't with us are four guys from Cali. They're a tiny group from Cali, but the rest of the people from Cali are with us. The two Rodriguezes, Santacruz, and Herrera aren't with us. All of the other cartels are with us. The Barranquilla people are with us, the Bucaramanga people are with us, the Pereira people, the Atlantic Coast people, the Latino colony in New York is with us....Everybody's calling me. They're calling me from Europe, from Mexico, because we're defending a cause that belongs to everybody.

[INTERVIU] And how is business overseas? Has it improved or fallen off?

[Gacha] Now is when it gets good. Obviously. Profits are up.

[INTERVIU] But they've hit you...they've busted quite a few of your laboratories.

[Gacha] They bust us, all right, but you know there's enough to go around.

[INTERVIU] Tell me, Gonzalo, you're a big anticommunist. Don't you think that it's paradoxical that the people from the UP [Patriotic Union] and the Communist Party are the ones who are coming out against the extradition treaty? You're so anticommunist and you're accused of persecuting the Patriotic Union people. Don't you find that contradictory?

[Gacha] What happened is one thing. Look, it's too bad they got involved and attacked us the way they did 7 or 8 years ago. If they hadn't been attacking us on that, the shooting would have stopped by now. But they attacked us real dirty, they wanted to do away with us.

[INTERVIU] How do you find the atmosphere in the country right now? Don't you think that with all these murders, Galan included (and you said that we'd talk about that later), you've turned people against you, the majority of people, the people who liked Galan, the people who...?

[Gacha] Hey, I'm telling you, let's not touch on that point now. I'll tell you something. We're defending a people and we're fighting for a people. And no one believes that if it weren't for drug trafficking in Colombia, we would have had a civil war some 5 years ago. You know that the politicians here care only about what they can steal and make off with.

[INTERVIU] But why are you so certain that this country hasn't fallen into misfortune because of your money?

[Gacha] Come on!

[INTERVIU] I think your money....

[Gacha] It's not our money; it's the money that enters the country from drug trafficking. It's not mine; it belongs to a whole group of people who bring it into the country.

[INTERVIU] But doesn't a lot of that money stay outside?

[Gacha] No. Everybody brings their money here. If a guy makes 20 million, the guy has a house, an estate, an apartment, a car, he's got a lot of things. And where does that money wind up? It winds up going to pay wages of 30,000, 40,000, or 50,000 pesos. So, isn't the government getting that through the "dirty window."

[INTERVIU] Well, but the word is that you people invested in the countryside by buying estates and ranches, whereas you haven't invested in industry and other sectors of the economy.

[Gacha] But we've done that in a lot of ways.

[INTERVIU] And how's the fight with the Cali people going? Is that over or not?

[Gacha] No, it's still going. We have to realize that they're a power. Them and us. They're a power, and we have to realize that it's a very touchy matter.

[INTERVIU] Tell me, Gonzalo, why are you picking so many fights at the same time?

[Gacha] I'm not picking fights. It's simple. Why are we fighting the emerald dealers? It's all real clear to me: They were hanging around with the DEA. What happens, as you know, is that a power that clashes with other powers has a lot of problems.

[INTERVIU] But you're fighting with the State, with the CIA, with the DEA, with the Army, and with the guerrillas. You're in a lot of fights at the same time....

[Gacha] Hey, you have to defend yourself as best you can.

[INTERVIU] But you have to find a way to settle things, too.

[Gacha] That's up to the government now. Let it propose what has to be done. We've made proposals: to hand over the laboratories and stop producing.

[INTERVIU] What would the proposal be?

[Gacha] Hand over the planes or, rather, stop producing. Begin living a normal life.

[INTERVIU] A sort of amnesty?

[Gacha] That's the word. Like with the guerrillas.

[INTERVIU] Proposal number one: You would promise to stop shipping cocaine overseas?

[Gacha] No, I'm not going to promise anything. We don't need to work.

[INTERVIU] You've got enough money....

[Gacha] You bet! We've worked hard....

[INTERVIU] Would you hand over planes, helicopters, everything?

[Gacha] Everything!

[INTERVIU] And would you dismantle the entire military machine that you have?

[Gacha] That too, sure. Of course you've got to watch out for yourself too, because you've got money and you have to have your men....

[INTERVIU] But not an army.

[Gacha] That's right.

[INTERVIU] And the guerrillas would lay down their arms too....

[Gacha] Sure, obviously! Because they're trying to screw us too.

[INTERVIU] You don't think that the time has come yet, do you? You and your people never talked about this with Dr Galan, did you?

[Gacha] We talked about this with President Barco all last year.

* Violence Blamed on Judiciary's Incompetence

90ET0078A Bogota EL TIEMPO in Spanish
10 Dec 89 p 9B

[Text] Although the gross domestic product (GDP) has been growing and although total government spending is up, social spending has declined over the past 5 years.

The decline has been striking. In constant 1975 prices, social spending hit its highest level of the decade in 1984, 1,865 pesos per inhabitant. From that point on it began to decline, reaching 1,546 pesos last year. This is a 17-percent drop.

This is one of the main conclusions from the first consolidated social indicators that have been developed in the country. They will be revealed tomorrow in the premiere edition of the magazine COYUNTURA SOCIAL, published by the Higher Education and Development Foundation (Fedesarrollo) and the SER Research Institute.

Another major conclusion, based on startling figures and which everyone expected, is that Colombia is indeed one of the most violent countries in the world and that 1989 will be a record year in this regard.

There is one surprise conclusion, however: The assumption that violence and social conflict have mainly economic causes is not valid.

In spite of the increased violence, per capita income is still growing faster than in other countries and there is a better distribution of income.

Less Spending

Social spending is nothing more than the government earmarking part of the taxes that it collects for a series of programs that enable goods and services to be better distributed among all citizens.

The aim is to redistribute wealth through spending programs that will improve living conditions among the poorest sectors.

An analysis of total government spending and social spending shows that the 1980 figures were among the lowest of the decade. Government spending accounted for 21.82 percent of the GDP and social spending 7.45 percent.

The latter figure began increasing at that point, hitting 9.4 percent in 1984. Then it started declining again, reaching 7.21 percent of the GDP last year.

This seems paradoxical when we recall that one of the current administration's "flagship" programs is precisely the battle against extreme poverty. What has happened, however, is that the definitions of certain spending that could be regarded as social have been changed, according to the study.

This is not only an accounting problem, however. The difficulties that the country has experienced in recent years have forced the government to hold back some public spending in order to bolster security programs.

Last week the comptroller's office revealed that tax revenues are declining, the government's overhead has skyrocketed, and public investment, in contrast, is still in a tailspin.

Whereas per capita social spending (in constant 1975 pesos) ranged from 1,471 to 1,600 between 1980 and 1982, it topped 1,700 in 1983 and a year later hit its record of 1,865 pesos.

The fast growth of social spending in 1983 and 1984 was due mainly to the previous administration's policy of low-cost housing, "the homes without a down payment."

The spending for low-cost housing shot up from 15.49 billion pesos in 1983 to more than 31 billion pesos in 1983 and to 53 billion the following year.

A breakdown of government social spending shows that housing's share in 1984 was 14.58 percent, compared to 9 percent in 1980.

Since the current administration has not made housing a priority in its struggle against extreme poverty, this sector's share dropped from 14.58 to 6.78 percent last year.

Although its share has declined by more than half, this has been partly offset by the increased spending on road infrastructure in reclamation areas.

Social security is the major item in social spending, even though its coverage is very limited. Its services reach 34 percent of the wage earners in the private sector; however, it is not financed by government but rather from the contributions of companies and workers. The government is obviously responsible for its employees' contributions.

While social security accounts for 42.28 percent of social spending, education, the second largest item, accounted for 36.91 percent last year. This is also one of the smallest shares this decade.

Another 14 percent went to health care, and although this is somewhat higher than a few years ago, it is lower than the 1980 figure.

When we break down the government spending numbers by inhabitant and by sectors (once again in constant 1975 pesos), we find that education dropped from 751 pesos in 1984 to 571 pesos last year.

The decline in housing has been considerable too. In 1980 the social spending in this sector amounted to 135 pesos per person; by 1984 it was up to 272 pesos, but by last year it had fallen to 105.

These two items largely explain why social spending has declined over the past 5 years.

A Violent Country

Another of the conclusions of COYUNTURA SOCIAL is that Colombia is indeed one of the most violent countries in the world.

In its analysis of court cases and the murder rate, the investigation indicates that based on the data available as of August of this year, "a homicide rate of 68.8 per 100,000 inhabitants is expected this year."

This is one of the highest rates in the country's history, as it is close to 10 percent over the figure for 1988, which was itself regarded as one of the most violent years in the country's history, with 62.8 homicides per 100,000.

The increase in the rate from previous years is worrisome. From 1955 to 1958 there was s sharp rise in violence, with a rate of 51.5 homicides per 100,000 inhabitants.

The rate then began declining, albeit slowly, until it reached its lowest level between 1973 and 1975, with 16.8 homicides.

During the early years of the present decade the rate "bogged down" at 30 homicides. As of 1985, however, it began to rise, until it reached the rate of almost 70 per 100,000 Colombians that is expected this year.

Although there has not been much of a difference between months in the phenomenon of violence, there have been some special cases, such as December 1988 and March 1989, which each posted more than 2,500 homicides. "Normally" the average has been between 800 and 1,000.

The monthly figures in 1989 "exceed those for the same month in any previous year from 1980 to 1988."

Certain regions have "contributed" the most to the rise in violence. The investigation checked the number of homicides per department that was "expected" on the basis of its history of violence and population, against the reported cases and found some surprises.

The department of Antioquia and, especially, Medellin stood out. Reported homicides exceeded the "expected" number by 108 percent. The investigation thus concluded that last year almost a third of the homicides in the country (31.9 percent) were "contributed" by Antioquia.

The situation was similar in the department of Meta, with 107 percent more cases than supposedly should have been recorded.

The report also emphasizes that homicidal violence is particularly bad in the departments of Risaralda and Caldas.

Violence has subsided in other regions, such as Valle del Cauca. In 1986 the number of recorded homicides was 84 percent more than "expected," while last year the index was 8 percent lower than expected.

The most representative case here is the National Territories, where the number of homicides dropped sharply. In 1986 the murder rate was 109 percent higher than expected, on the basis of population, whereas last year it was 47 percent lower than "expected."

The least violent departments last year were Bolivar, Sucre, Atlantico, and Choco, which posted the lowest homicide rates per 100,000 inhabitants. The figures were between 59 and 81 percent lower than had been expected.

Violence and Income

In spite of the high level of violence, one of the most interesting conclusions of the study on social conditions in Colombia is that "the assumption that violence in the country and social conflict have primarily economic causes is not valid."

The level of violence began increasing sharply in the mid-1970's, which was precisely when income distribution started improving and all of the numbers relating to economic well being kept on rising.

While the indices of citizen security are high and the number of cases settled by the justice system extremely small in international terms, per capita income has increased faster that in any other Latin American country over the past decade.

This is one of the conclusions of Juan Luis Londono's study on the national distribution of income (EL TIEMPO published the findings several weeks ago). The study also indicates, however, that income distribution seems to have improved and that the percentage of families living in extreme poverty has declined.

Hence, an analysis of the indicators relating to justice suggests that "some of the problems of violence could be due to the inability of the justice system to settle conflicts through legal channels."

Aside from findings such as these, which the country was expecting, the journal COYUNTURA SOCIAL (two issues a year) intends to track social indicators very closely for the country, according to the director of Fedesarrollo, Miguel Urrutia Montoya. The point is not only for the country to see how the economy is doing but also for the government to have available reliable, consolidated figures that it can use as a basic tool before undertaking its social-development programs.

* Violence in Medellin Blamed on Unemployment

90ET0078B Bogota EL TIEMPO in Spanish 15 Dec 89 p 14A

[Excerpts] The mayor of Medellin, Juan Gomez Martinez, yesterday again defended his idea that a dialogue with all violent groups, drug traffickers included, is necessary.

Gomez Martinez said that because of its murder rate Medellin is losing 3,000 to 4,000 persons a year, the equivalent of a small town, and to make matters worse, they are between the ages of 13 and 22.

He said that if Pablo Escobar and Gonzalo Rodriguez Gacha were to disappear, the violence would not end, because its main cause is unemployment.

The Antioquia leader accused the United States of causing further unemployment and the resulting heavier involvement in drug trafficking, with its adverse policies on coffee, textiles, bananas, and flowers.

Gomez Martinez spoke at the year-end breakfast of the Center of Colombian Studies, whose president, Hernan Beltz Peralta, contended that amid the leadership crisis through which, in his view, the country is going, the mayors elected by popular vote "are the only hope." [passage omitted]

The mayor called Medellin a "scientific city par excellence," as 12 heart operations, 150 ear operations, 1 pancreas operation, and 100 tissue operations are performed every year, with only China surpassing it in plastic surgery.

There are 75 telephones per 100 inhabitants in Medellin. Ninety-six percent have water and 94 percent have sewer service, while the demand for electric power will be met past the year 2000.

He said that unemployment stands at 14 percent, however, and there are areas in which the annual income is just $100.

"Such conditions generate violence, which is aggravated by drug trafficking, as there are 150 gangs of juvenile delinquents, future hired killers, who need a few pesos to survive," he added.

The mayor described the tragedy of Medellin, saying that a few years ago disease was the major cause of death for people over age 50 and then for people between 30 and 45. "Now, though, our young people are being killed off on us," as youths between 13 and 22 are dying. In 1988 there were 3,600 such deaths. This year they will number 4,000.

"Young people without hope, without jobs, without recreation, without sports are succumbing, young people who live on the northern slopes, amid violence in which there is something, but that something is just drug trafficking," he said.

Therefore, Gomez Martinez said, "if they kill Pablo Escobar or Rodriguez Gacha, the violence will not end."

The mayor recalled that the suspension of work on the subway would increase unemployment by 10,000.

Gomez Martinez reported that at a recent meeting with the New York press and at another with the counselor of the U.S. Embassy, he asked how they expect drug trafficking to end if "they help to impoverish us" with low coffee prices, barriers to textiles and flowers, and "cutthroat competition" in bananas. "They're pushing more people into drug trafficking," he said.

Gomez Martinez added that of the $500 billion produced by drug trafficking, $300 billion remain in the United States.

The mayor of Medellin said that instead of war he wants dialogue, not just with the drug traffickers but also with the guerrillas, paramilitary groups, and emerald dealers.

* Poll Reveals Public Attitude Toward Barco

90ET0077A Bogota EL TIEMPO in Spanish 21 Dec 89 p 7A

[Text] With just a few months left to go in his administration, Colombians give President Barco's performance in office a grade of three on a scale of one to five.

The findings are from a poll that the National Consulting Center conducted for "Reportajes Caracol" and EL TIEMPO between 15 and 17 December in the country's four main cities.

Although the president passed "by the skin of his teeth," he did receive some recognition when the people polled were asked about how he is handling the drug-trafficking problem: 3.2. He did better, however, when international relations were involved.

The president's grade declined when Colombians rated the economy (2.7), education (2.8), justice (2.7), health care (2.8), and his advisers (2.8).

Oddly enough, the president's biggest "fans" are young people. People up to age 25 gave Barco a grade of 3.1. But among those over the age of 26 the chief executive got a 2.9. His grade among those over 40 was a 3.

As for the different classes, he received his highest grade from the upper class, a 3.1, getting a 3 from the middle class, and a clearly failing mark, 2.8, from the lower class.

Cali is the city in which he is held in the highest regard. The residents of this city feel that the current administration deserves a 3.2. In Bogota and Barranquilla he gets a 3.

The president's popularity "is at rock bottom" in the land of the "paisas." Medellin gave him a weak 2.7.

Another of the questions that the poll posed had to with Barco's performance in several basic areas of national life:

The economy: Conservatives felt that he deserves a 2.6. To the members of Patriotic Union it was a discouraging 2, and among the ranks of his own party, the Liberals, the chief executive got only a 2.9.

Education: Conservatives, 2.8; Patriotic Union, 2.5; Liberals, 2.9.

Justice: Conservatives, 2.5; Patriotic Union, 2.1; Liberals, 2.9.

Health care: Conservatives, 2.8; Patriotic Union, 2.7; Liberals, 2.9.

Drug trafficking: Conservatives, 3.2; Patriotic Union, 2.7; Liberals, 3.4.

International relations: Conservatives, 3.6; Patriotic Union, 3.8; Liberals, 3.9.

And on the controversial issue of advisers, Conservatives gave him a 2.8, Patriotic Union a much worse 2.3, and Liberals 2.9.

But whereas the Colombian people and political parties barely passed the president of the Republic, Congress did not get the same treatment.

Among social classes, in cities, across age groups, and in the view of both sexes, this year's congressional activity was more embarrassing than brilliant. The Senate's performance merited a 2.7, and the House of Representatives will have to settle for a 2.6.

The under-25 age group gave both houses no more than 2.8. Those over 26 gave them 2.7 and 2.6. And the 40 and over group gave them both a pitiful 2.5.

As for the distribution by sex, women were tougher: 2 for the Senate and 2.7 for the House. Men gave them both a 2.5.

Paradoxically, the upper class was not at all lenient in its grading: 2.6 and 2.3. Congress did no better among the middle class (2.7), and the numbers were no different among the lower class: 2.7 and 2.6.

Colombia's cities did not deviate much from the pattern. Bogota was somewhat kind: 2.8. The residents of coastal Barranquilla came in with 2.9 and 2.8. The people of Cali were divided between 2.6 and 2.4. And Medellin's "paisas" were again the toughest: 2.5.

Finally, the political parties were the ones that wound up "laying to rest" Congress' performance. Conservatives gave the Senate a 2.8 and the House a 2.7. Members of the Patriotic Union felt that 2.5 and 2.6 were fair. And the Liberal Party graded the same as the Conservatives.

[Box, p 7A] The Poll

The poll was conducted between 15 and 17 December among a total of 600 persons in the cities of Bogota, Medellin, Cali, and Barranquilla.

The questions were posed to both men and women from the upper, middle, and lower classes with educational levels ranging from primary and secondary school to junior college [bachiller], university, and technical institutes. All civil statuses are also represented: married, single, living together, separated, and widowed.

Ages: from 25 and under to 40 and over.

* Inflation Rate Put at 27 Percent

90ET0077B Bogota EL TIEMPO in Spanish
3 Dec 89 p 4C

[Text] As several private-sector analysts have been predicting for months, the goal of holding inflation to 24 percent this year will not be achieved.

With the 1.78 percent rise in the price of items in the family shopping basket in November, the cumulative increase in the cost of living for the first 11 months of the year hit 24.32 percent.

The numbers revealed yesterday by the National Administrative Department of Statistics (DANE) show a cumulative inflation rate over the past 12 months (November 1988 to November 1989) of 27.09 percent, which is slightly lower than the rate in the same month last year, 27.68 percent.

The administration was hoping that the cumulative figure would continue to decline in November, as it had been in recent months, but the opposite happened. During the 12 months from October to October the index stood at 26.61 percent.

These figures suggest that inflation for the entire year will stand at more or less 26 percent, which in any event is lower than in 1988, when the cumulative 12-month rate was 28.12 percent.

The 1.78 percent price rise in November was higher than the 1.39 percent posted during the same month last year.

According to the DANE report, the explanation is the behavior of food prices, some of which "skyrocketed" in comparison to the degree of stability that they had shown in previous months.

The prices of some food items jumped sharply during the first 10 days of November. Although they again behaved "normally" during the ensuing 20 days, they ended the month 2.27 percent higher, the biggest rise among the items making up the Colombian family's shopping basket.

The biggest jumps were recorded by potatoes, milk (there was a bitter feud between the government and the dairy

industry over the higher prices posted in several cities), tomatoes, vegetable oil, and brown sugar.

Meanwhile, according to DANE, the prices of rice and beef were stable, and the price of oranges fell.

The biggest increases in food prices were in Medellin, Pasto, and Pereira, where the indexes jumped 3 percent during the 30 days.

The categories of health care, education, and transportation, which had had the largest impact in previous months, posted "normal" behavior for the season this time. The category of housing, however, recorded increases in public utilities and home cleaning items.

Within the group described as "other," which used to be called "miscellaneous," liquor, cigarettes, and toiletries were up in November.

There were substantial differences from city to city in the cumulative cost of living index over the first 11 months, as the numbers ranged from 21.92 percent in Cartagena to 35.41 percent in Cucuta. The second highest was Pasto with a cumulative 29 percent.

The case of the capital of Norte de Santander is perhaps the most worrisome. As of October it was showing a cumulative index of 30.89 percent, which shot up to 35.41 percent by the end of November. Nevertheless, DANE emphasizes in its report that "it was the city that posted the smallest rise" last month.

As of 30 November, Bogota posted a cumulative inflation rate of 25.64 percent, with Cali at 23.41, and Medellin at 22.12 percent, one of the lowest.

Although no one knows what December will bring, the increase may be close to 2 points (December 1988's rise was 2.23 percent). That would leave the increase in the cost of living for the year at around 26 percent. Thus, the jumps in the cost of living in 1988 and 1989 will be among the highest in the decade.

* Contingency Agreement Signed for Oil Spills

90ET0077C Bogota EL TIEMPO in Spanish
1 Dec 89 p 8C

[Text] Colombia "does not consider it opportune for now to join OPEC, and we will remain neutral," Colombia's minister of mines and energy, Margarita Mena de Quevedo, asserted in Caracas.

Our country would be of no account in the world of OPEC because it exports very little, between 180,000 and 200,000 barrels a day, said Mena de Quevedo.

Given that OPEC exports 22 million barrels a day, we are insignificant, the minister underscored.

Nevertheless, the volume of Colombia's exports is similar to that of OPEC's two smallest members, Gabon and Ecuador, and for 2 years now Colombia has belonged to GIPLACEP (Informal Group of Latin American and Caribbean Petroleum Exporting Countries).

The minister is in Caracas to sign two cooperation agreements with her Venezuelan counterpart, Celestino Armas; they are the "Colombian-Venezuelan electrical interconnection" agreement and the "bilateral contingency plan against crude oil spills on the border."

The electric-power hookup will enable Colombian regions such as the northeastern Guajira Peninsula to obtain electricity from the grids in western Venezuela, the minister told the agency AFP.

The other accord will facilitate the efforts of the state-run enterprises Ecopetrol [Colombian Petroleum Enterprise] and PDVSA [Venezuelan Petroleum, Inc.] to combat the pollution caused by oil spills in eastern Colombia.

Most of the spills are due to dynamite attacks against oil pipelines by the guerrilla group called the National Liberation Army (ELN).

"Unfortunately, there are people who in carrying out an act of vandalism do not stop to think that they are causing irremediable and irreversible damage to nature," Mena de Quevedo commented.

In addition, the bombings adversely affect production and exports, and the minister recalled that oil is a major source of foreign exchange for Colombia, along with coffee and coal, with $1.5 billion in revenues expected next year from fossil fuel sales.

The minister will also discuss the possibility of Venezuela supplying fuel in Colombian border areas such as the intendancy of Arauca.

* Ecopetrol To Increase Oil Share

90ET0077D Bogota EL ESPECTADOR in Spanish
11 Dec 89 pp 1A, 8A

[Report by Alberto Martinez M.: "We're Ready for the 21st Century"]

[Text] Bogota—The country has just taken another major step in its petroleum policy.

Decree 2782, under which all new partnership agreements will contain four additional obligations for foreign companies, represents an admission by the government that the legislation had to change; it has also convinced Minister Margarita Mena de Quevedo that "the country as an oil producer is prepared for the 21st century."

The first thing that the minister points out, however, is that the changes stemmed from opinions, not pressures.

"Realizing that the country had to earn more in the oil business, the government listened to all sectors, and we have now achieved our goal, which we do not think will impair the foreign investment that we need so badly."

The updated legislation keeps the shares for Ecopetrol [Colombian Petroleum Enterprise] and the partner at 50 percent when cumulative production does not exceed 60 million barrels. If output climbs to 90 million, the breakdown changes: 55 percent for Ecopetrol and 45 percent for the foreign partner. When it gets to 120 million barrels, the state-run firm keeps 60 percent. If output reaches 150 million, Ecopetrol will get 65 percent and its partner the rest. If this level is exceeded, regardless of by how much, Colombia will own 70 percent of it, minus royalties.

Only for the Large Ones

But of what use to the country are such percentages when the average cumulative production of its oil fields is less than 25 million barrels?

The decree is obviously designed not for regular discoveries but for large fields:

"A 50-percent share is profitable for a partner with cumulative production of up to 60 million barrels. But that distribution becomes excessive if retained for higher outputs."

To cite one example, as of 31 October 1989, Cano Limon, which is regarded as an exceptional field in the oil world, had produced 227.4 million barrels, of which, after 20 percent royalties, 90.9 million barrels belonged to Ecopetrol and 90.9 million to the partners. If Decree 2782 governed this contract, Ecopetrol would have gotten, after the aforementioned 20 percent, 138.2 million barrels and the partners 43.7 million barrels, because the shares would have been 60.77 and 19.23 percent, respectively.

"We cannot say that Cano Limon is excessively profitable for the foreign companies, because the contract was in keeping with expectations and legislation that were valid at the time. But we must continue to evolve to strike a better balance. Nations learn from experience, and Cano Limon taught us a great deal."

More Know-How

Modification "B" to the contract establishes that "the partner pledges to conduct an annual training program for Ecopetrol professionals in areas related to the execution of the contract."

In the minister's view this is a major contribution to oil policy. "Know-how," she asserts, "is increasingly important in the oil-producing countries," and Colombia has lagged somewhat behind in this regard.

The foreign partners may not terminate the existing contracts before complying with the new condition, which is tantamount to saying that Ecopetrol staff will learn from basic oil-production and -development experiences because they will even have access to the partner's headquarters.

The Environment Is the Challenge

The minister is also proud of the environmental controls. Modification "C" obliges the multinationals to execute an ongoing plan of safeguards to insure that natural resources are conserved and restored within the areas in which they explore for, develop, and transport oil.

"This is the issue of the 21st century. The country could not isolate itself from the rest of the world. The fact is that until now we were concerned about developing our wealth and allowed our ecosystem to deteriorate. The time to halt this deterioration has come."

Henceforth, the partners must also prepare contingency plans for dealing with emergencies and disclose their preventive actions to national communities and institutions. Up to 28 November such activities were merely voluntary on the part of the oil companies.

Political Control

The controversial section of the decree is modification "D" or the right of assignment. It is controversial not so much because of what it may produce but rather because of what it has already allowed. Colombians still remember the transaction between Occidental and Shell that enabled the former to make $950 million in one morning without apparently giving Colombia a share. Here once again the minister speaks of Cano Limon as a learning experience, although she prefers not to talk about the controversial deal.

In any event, "the partner will have a right to assign or transfer all or part of its interests, rights, and obligations under the contract to another company or group, with the prior approval of the Ministry of Mines and Energy and Ecopetrol."

The assignments will be subject to the taxes stipulated in Colombian tax legislation.

The nation, through the ministry and Ecopetrol, will reserve the right to accept or refuse the new partner, without being obliged to so report. Although transactions on international stock markets are excluded, "we are looking at real political control, in defense of the nation's highest interests."

Ecuador

Teachers Call Strike; Doctors Follow Suit

PA2401172390 Hamburg DPA in Spanish 1548 GMT 24 Jan 90

[Text] Quito, 24 Jan (DPA)—The Ecuadoran teachers' organizations, controlled by leftist Maoists, began an indefinite strike today to protest government decisions affecting their economic income. The government termed the strike illegal.

At the same time, medical and paramedical personnel began a preventive strike this morning to demand that

more funds be allocated for health, thereby interrupting care in public hospitals. According to initial reports, the teachers' strike is only partial because several provincial boards have rejected the measure, describing it as "political," on the eve of the beginning of the election campaign for June's legislative elections.

The National Union of Teachers (UNE), controlled by the Democratic People's Movement, a leftist opposition party, called for the indefinite suspension of classes in schools and colleges after the Social Democratic government of President Rodrigo Borja introduced a legal reform whereby teachers' contributions to their labor organizations ceased to be mandatory and are voluntary.

The government, through Education Minister Alfredo Vera, asked teachers today not to join the "arbitrary and obviously abusive and illegal" measure. Health Minister Plutarco Naranjo asked the doctors "to open a useful dialogue" instead of beginning a strike, "which mostly affects the poorest sectors of society."

Peru

Garcia Delivers Helicopters for Antiterrorism

PY2401163390 Lima Television Peruana in Spanish 0000 GMT 24 Jan 90

[Excerpts] President Alan Garcia today delivered to the Interior Ministry four helicopters that will be used to fight terrorism and to serve the community. The president said this is a qualitative step that will make national police performance faster and more effective.

In a speech delivered on the square in front of the Interior Ministry, President Garcia announced that 1,150 police patrol cars will arrive in the country soon, and that this will enable the police to act more swiftly. Garcia also said that 17 other helicopters will soon be delivered to the Army.

[Begin Garcia recording] These are concrete, palpable facts that show how the institutions defending Peru against crime and terrorism are being better equipped for this fight. We are delivering the first four of the seven helicopters that will make up the airborne force of the National Police . These helicopters are a qualitative step toward the goal of fighting the serious subversive threat. [passage omitted]

I am proud to deliver these first helicopters that will reequip our police. I will again come to this square to deliver the patrol cars and the vehicles for rural transportation that will be used to better equip the police. With this equipment, and particularly with the institutional integration and the strong spirit of each policeman, we will defeat terrorism and put an end to crime. We will thus prove that we, the real Peruvians, are stronger than those who choose to tread the wrong path. I trust the Peruvian National Police, and I now have the satisfaction to deliver these helicopters that will save lives, that will save policemen, and that will help defeat terrorism. Thank you very much. [end recording]

Salinas on IMF Visit, Economic Situation

PY2401155290 Lima Domestic Service in Spanish 1100 GMT 24 Jan 90

[Excerpts] Abel Salinas, Peruvian foreign debt negotiator, said that the IMF mission has returned to the United States and that another similar mission will arrive in the country in the next few days.

[Begin recording] [Salinas] Talks with the IMF are continuing as planned, and the first part of the plan is over. In the second part, they will probably appraise the data obtained and make some suggestions.

[Reporter] This first part consisted only of obtaining data?

[Salinas] Of course. Do not forget that, according to the documents we have signed with the IMF, we must draft an economic program. To do that, we must thoroughly analyze the economy and the country's productive capacity. [passage omitted]

We believe that our economic and industrial sectors need a new orientation.

[Reporter] You mentioned a new economic plan. Do you mean that the previous economic plan is not succeeding?

[Salinas] I believe we must realize that some measures are temporary. I am referring to the import-replacement policy Peru adopted some 20 years ago, in the 1960s. This policy has proven to be inadequate for the country. I am not going to criticize this policy or analyze its shortcomings. We must agree, however, that this is an outdated model. We must face the fact that we will need a new concept, that we will have to place new emphasis on the great political changes occurring in the country, such as the regionalization process. We will have to pay special attention not only to development and economy, but also to the geographic distribution of our industrial, trade, and productive activities. All that must be reoriented, but has no relation whatsoever to some economic measures that must be immediately adopted to overcome circumstantial and temporary problems.

[Reporter] [Words indistinct] in the new administration?

[Salinas] All political groups have teams of experts, who are probably very skillful. I would like to point out, however, that when a shock program is expected, prices immediately begin to go up. The inflation rate may go up to 200, 250, or 300 percent; we cannot say how high. [passage omitted]

If businessmen expect the new government to adopt a shock program, the inflation rate will go up, at least for some time; prices will begin to increase.

[Reporter] Would that imply the suspension of subsidies?

[Salinas] That policy, which may be adopted by this government or the next government, would probably include the suspension of subsidies. What I want to say is that if we are mentioning the possibility of a temporary increase in the inflation rate, we are mentioning the possibility of increasing prices. We must be careful because this is very dangerous. We must be very careful in commenting on these possibilities. We cannot idly comment on this type of program because we know our comments may influence the behavior of businessmen and cause prices to go up. [end recording]

Navy Officer Dismissed for Drug Trafficking

PY2401211190 Buenos Aires TELAM in Spanish 1558 GMT 24 Jan 90

[Text] Lima, 24 Jan (TELAM-ANSA)—The Peruvian Navy has dismissed the commander of the vessel "Eten" after proving his "direct responsibility for transporting an illegal cargo (drugs)" and has placed him at the disposal of the court. The commander was not identified.

In a communique released today in Lima, the Navy states that the "Eten" was on high seas, complying with an operational order, when drugs were detected in a compartment. Access to this compartment required the direct order of the commander of the vessel.

The document adds that "in view of these circumstances, the "Eten" was ordered to return immediately to port where the commander's direct responsibility was established after a thorough investigation."

"Fully complying with the provisions of the law, [words indistinct] the commander of the 'Eten' was placed at the disposal of the national court, together with the drugs."

Uruguay

Paraguay's Rodriguez Arrives on Official Visit

PY2401171190 Asuncion RPC Television Network in Spanish 1500 GMT 24 Jan 90

[Excerpts] Paraguayan President Andres Rodriguez arrived this morning in Montevideo, Uruguay. Before his departure from Silvio Petirossi Airport near Asuncion, President and Mrs. Rodriguez said goodbye to civilian and military officials.

General Andres Rodriguez also said goodbye to Minister Without Portfolio Juan Ramon Chaves, who will be in charge of the Presidency while President Rodriguez is abroad.

Before boarding the plane for Montevideo, President Rodriguez made a brief statement to the press.

[Begin Rodriguez recording] I take with me the warm and fraternal greetings of the Paraguayan people and their government to the Uruguayan people. [end recording] [passage omitted]

A few hours later, Rodriguez arrived at Carrasco International Airport in Montevideo, where he was welcomed by Uruguayan President Julio Maria Sanguinetti.

President Sanguinetti welcomed President Rodriguez with a fraternal embrace while a 21-gun salute was heard in the background.

After the Uruguayan and Paraguayan national anthems were played, President Rodriguez and Uruguayan President Sanguinetti reviewed the troops. [passage omitted]